



ING Bank N.V.

(Incorporated in The Netherlands with its statutory seat in Amsterdam)

Postbank Groen N.V.

(Incorporated in The Netherlands with its statutory seat in Amsterdam)

ING Bank (Australia) Limited

(Incorporated in Australia under the Corporations Act 2001 of Australia)

ING Bank of Canada

(A Schedule II bank incorporated under the Bank Act (Canada))

ING (US) Issuance LLC

(Organised under the laws of the State of Delaware)

ING Americas Issuance B.V.

(Incorporated in The Netherlands with its statutory seat in Amsterdam)

€80,000,000,000

Global Issuance Programme

Supplement to the Base Prospectus dated 28 September 2007

This Supplement (the “Supplement”) is prepared as a supplement to, and must be read in conjunction with, the Base Prospectus dated 28 September 2007 (the “Base Prospectus”). The Base Prospectus has been issued by ING Bank N.V. (the “Global Issuer”), Postbank Groen N.V., ING Bank (Australia) Limited, ING Bank of Canada, ING (US) Issuance LLC and ING Americas Issuance B.V. in respect of an €80,000,000,000 Global Issuance Programme (the “Programme”). Under the Programme, among other things, the Global Issuer may from time to time issue covered bonds (the “Covered Bonds”). This Supplement, together with the Base Prospectus, constitutes a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC of the European Parliament and of the Council (the “Prospectus Directive”). Terms used but not defined in this Supplement have the meanings ascribed to them in the Base Prospectus.

The Global Issuer has prepared this supplement for the purposes of giving certain additional information in relation to the issue of Covered Bonds.

Programme Arranger

ING WHOLESALE BANKING

Covered Bond Arranger

BARCLAYS CAPITAL

Covered Bond Co-Arranger

ING WHOLESALE BANKING

Dated 26 February 2008

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INTRODUCTION

This Supplement, together with the Base Prospectus, constitutes a base prospectus for the purposes of Article 5.4 of the Prospectus Directive for the purpose of giving information with regard to the Global Issuer, the CBC and the Covered Bonds which, according to the particular nature of the Global Issuer, the CBC and the Covered Bonds, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Global Issuer and the CBC, and the rights attached to the Covered Bonds.

This Supplement must be read with the Base Prospectus, save with respect to those sections of the Base Prospectus entitled “Chapter 1 – Risk Factors – Part 4: Risk Factors Relating to Covered Bonds”, “Chapter 1A – Additional Covered Bond Information” and “Chapter 22 – Covered Bonds Issued by ING Bank N.V.” which have been amended and restated in their entirety in this Supplement. To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into Chapter 1 of the Base Prospectus by this Supplement and (b) any other statement in or incorporated by reference in Chapter 1 of the Base Prospectus, the statements in (a) above will prevail.

The Global Issuer accepts responsibility for the information contained in this Supplement and the CBC accepts responsibility for the information contained in this Supplement relating to it. To the best of the knowledge of the Global Issuer and the CBC (which have each taken all reasonable care to ensure that such is the case) the information contained in this Supplement (in the case of the CBC as such information relates to it) is in accordance with the facts and does not omit anything likely to affect the import of such information.

Any Dealers appointed by the Global Issuer and the CBC in respect of issues of Covered Bonds will not have separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by such Dealers or the CB Trustee as to the accuracy or completeness of the information contained in this Supplement, or any other information provided by the Global Issuer and the CBC. Neither the Dealers nor the CB Trustee accept any liability in relation to the information contained in this Supplement or any other information provided by the Global Issuer and the CBC in connection with the Programme.

No person has been authorised to give any information or to make any representation not contained in or not consistent with the Base Prospectus and this Supplement, or any other information supplied in connection with the Programme and, if given or made, such information or representation must not be relied upon as having been authorised by the Global Issuer, the CBC, the CBC Trustee or any of the Dealers appointed by the Global Issuer and the CB Trustee.

Neither the Base Prospectus or this Supplement nor any other information supplied in connection with the Programme should be considered as a recommendation by the Global Issuer, the CBC, the Originators and the CB Trustee or any of the Dealers or Arrangers that any recipient of this Supplement and the Base Prospectus or any other information supplied in connection with the Programme should purchase any Covered Bonds. Each investor contemplating purchasing any Covered Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Global Issuer and the CBC. Neither the Base Prospectus or this Supplement nor any other information supplied in connection with the Programme or the issue of any Covered Bonds constitutes an offer or invitation by or on behalf of the Global Issuer, the CBC, the Originators and the CBC Trustee or any of the Dealers or Arrangers to any person to subscribe for or to purchase any Covered Bonds.

Structured securities, including the Covered Bonds, are sophisticated instruments, can involve a high degree of risk and are intended for sale only to those investors capable of understanding the risk entailed in such

instruments. Prospective purchasers of Covered Bonds should ensure that they understand the nature of the Covered Bonds and the extent of their exposure to risk and that they understand the nature of the Covered Bonds as an investment in the light of their own circumstances and financial condition. Prospective purchasers of the Covered Bonds should conduct their own investigations and, in deciding whether or not to purchase Covered Bonds, should form their own views of the merits of an investment related to the Covered Bonds based upon such investigations and not in reliance upon any information given in the Base Prospectus, this Supplement or the applicable Final Terms. In particular, each investor contemplating purchasing any Covered Bonds should make its own appraisal of any share or index, fund, debt security, currency, commodity or other asset to which such Covered Bonds may be linked (including the creditworthiness of the issuer of any share or debt or other security to which such Covered Bond may be linked). If in doubt potential investors are strongly recommended to consult with their financial advisers before making any investment decision.

Neither the delivery of this Supplement and the Base Prospectus nor the offering, sale or delivery of any Covered Bonds shall in any circumstances imply that the information contained in the Base Prospectus and herein concerning the Global Issuer, the CBC and the Originators is correct at any time subsequent to 28 September 2007 (in the case of the Base Prospectus) or the date hereof (in the case of this Supplement) or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers and the CB Trustee do not undertake to review the financial condition or affairs of the Global Issuer, the CBC and the Originators during the life of the Programme. Investors should carefully review and evaluate, *inter alia*, the most recent financial statements of the Global Issuer when deciding whether or not to purchase any Covered Bonds.

So long as the Base Prospectus and this Supplement are valid as described in Article 9 of the Prospectus Directive, copies of this Supplement and the Base Prospectus, together with the other documents listed in the “General Information” section of Chapter 1 of the Base Prospectus, will be available free of charge from the Global Issuer, the specified office of the Paying Agents and, if applicable for Austrian investors from ING Bank N.V., Zweigniederlassung Wien, Ungargasse 64/3/305, 1030 Vienna, Austria. Written or oral requests for such documents should be directed to the Global Issuer at Foppingadreef 7, 1102 BD Amsterdam, The Netherlands.

Other than in Austria, Belgium, Denmark, Finland, France, Germany, Greece, Italy, Luxembourg, The Netherlands, Norway, Portugal, Spain and Sweden, the Global Issuer, the CBC, the Arrangers and any Dealer do not represent that the Base Prospectus and this Supplement may be lawfully distributed, or that Covered Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Global Issuer, the CBC, the Arrangers or any Dealer under the Programme which would permit a public offering of the Covered Bonds, or distribution of this Supplement or the Base Prospectus in any jurisdiction where action for that purpose is required, other than in certain Member States of the European Economic Area (the “EEA”), provided that Covered Bonds will only be offered with the denominations described under “General - Denomination of Covered Bonds” in this Supplement. Accordingly, the Covered Bonds may not be offered or sold, directly or indirectly, and neither the Base Prospectus and this Supplement nor any advertisement or other offering material may be distributed or published in any jurisdiction where such offer, sale, distribution and/or publication would be prohibited and any Dealer appointed by the Global Issuer will be required to represent that all offers and sales by it of Covered Bonds will be made on these terms.

The distribution of the Base Prospectus and this Supplement and the offer or sale of Covered Bonds may be restricted by law in certain jurisdictions. Persons into whose possession the Base Prospectus and this Supplement or any Covered Bonds come must inform themselves about, and observe, any such restrictions (see “Chapter 1– Subscription and Sale” in the Base Prospectus).

The Covered Bonds and the CB Guarantee have not been and will not be registered under the Securities Act or with any securities regulatory authority of any State or other jurisdiction of the United States. Accordingly, the Covered Bonds may not be offered, sold, pledged or otherwise transferred within the United States or to or for the account or benefit of U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act and any applicable State securities laws. Registered Covered Bonds may be offered and sold in the United States exclusively to persons reasonably believed by the Global Issuer or the Dealers to be QIBs (as defined in the Base Prospectus). Each U.S. purchaser of Registered Covered Bonds is hereby notified that the offer and sale of any Registered Covered Bonds to it may be made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A. To permit compliance with Rule 144A under the Securities Act in connection with the resales of Registered Covered Bonds, the Global Issuer is required to furnish, upon request of a holder of a Registered Covered Bond or a prospective purchaser designated by such holder, the information required to be delivered under Rule 144A(d)(4) under the Securities Act. Registered Covered Bonds are not transferable to other holders within the United States except upon satisfaction of certain conditions as described under “Chapter 1 – Subscription and Sale” in the Base Prospectus. Certain U.S. tax law requirements may also apply to U.S. holders of the Covered Bonds.

The Covered Bonds have not been approved or disapproved by the U.S. Securities and Exchange Commission, any State securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Covered Bonds or the accuracy or the adequacy of the Base Prospectus or this Supplement. Any representation to the contrary is a criminal offence in the United States.

TO NEW HAMPSHIRE RESIDENTS: NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER RSA 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSONS, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

Switzerland: The Covered Bonds issued by the Global Issuer being offered pursuant to the Base Prospectus and this Supplement do not represent units in collective investment schemes. Accordingly, they have not been registered with the Swiss Federal Banking Commission (the “FBC”) as foreign investment funds, and are not subject to the supervision of the FBC. Investors cannot invoke the protection conferred under the Swiss legislation applicable to investment funds.

Chapter 1 of the Base Prospectus contains general information relating to the various types of Notes (including Covered Bonds) and Warrants that may be offered under the Programme. With respect to issues of Covered Bonds, such information should always be read in conjunction with this Supplement which includes, among other things, amended and restated versions of the sections entitled “Chapter 1A – Additional Covered Bond Information” and “Chapter 22 – Covered Bonds Issued by ING Bank N.V.”.

GENERAL

The wording below replaces in its entirety the corresponding wording included under the heading “General Information – Auditors of the CBC” in the Base Prospectus.

Auditors of the CBC

The CBC has not prepared financial statements since its incorporation. The auditors of the CBC are Ernst & Young Accountants, who will audit CBC's accounts for its first financial year, ending on 31 December 2008, in accordance with generally accepted auditing standards in The Netherlands.

The wording below replaces all applicable references to the denomination of the Covered Bonds in the Base Prospectus.

Denomination of Covered Bonds

Covered Bonds will be issued in such denominations as may be determined by the Global Issuer and the relevant Dealer(s) and as indicated in the applicable Final Terms save that (i) the minimum denomination of each Covered Bond will be such as may be allowed or required from time to time by the relevant central bank (or regulatory authority) or any laws or regulations applicable to the relevant Specified Currency and (ii) the minimum denomination of each Covered Bond which will be offered to the public within a member state of the EEA or of each Covered Bond for which the Global Issuer will seek admission to trading on a regulated market situated or operating within such a member state, in each case in circumstances which would require the approval of a prospectus under the Prospectus Directive, will be €50,000 (or its equivalent in any other currency at the date of issue of the Covered Bonds).

The wording below replaces in its entirety the corresponding wording included under the heading “Risk Factors – Part 4: Risk Factors Relating to Covered Bonds” in Chapter 1 of the Base Prospectus.

PART 4: RISK FACTORS RELATING TO COVERED BONDS

In addition to the risks identified in “Risk Factors – Part 1: General” and “Risk Factors – Part 2: Risk Factors Relating to Notes” above, potential investors in Covered Bonds should consider the following.

The subsequent numbers and capital headings used in the below risk factors correspond to the numbers and headings of the sections as contained in “Chapter 1A – Additional Covered Bond Information”, where additional and more detailed information on the same headings can be found. Words and expressions defined elsewhere in this Base Prospectus shall have the same meaning in the below risk factors description. An index of certain defined terms is contained at the end of “Chapter 1A – Additional Covered Bond Information”.

4.1 COVERED BONDS

Risks related to the structure of a particular issue of Covered Bonds

Covered Bonds issued under the Programme will either be fungible with an existing Series or have different terms to an existing Series (in which case they will constitute a new Series) of Covered Bonds. All Covered Bonds issued from time to time will rank *pari passu* with each other in all respects and will share equally in the security granted by the CBC under the Security Documents. If a Global Issuer Event of Default or a CBC Event of Default occurs and results in acceleration, all Covered Bonds of all Series will accelerate at the same time.

Credit Ratings may not reflect all risks

If and to the extent ratings would be assigned to the Covered Bonds by either Fitch and/or S&P, any such ratings assigned to the Covered Bonds by S&P and/or Fitch, would reflect S&P and/or Fitch's assessment of the likelihood of full and timely payment to Covered Bondholders of all payments of interest on each Interest Payment Date. Any ratings that would be assigned by S&P and/or Fitch would also reflect S&P and/or Fitch's assessment of the likelihood of timely payment of principal in relation to the HB Covered Bonds on the CB Final Maturity Date and in relation to the SB Covered Bonds on the Extended Due for Payment Date thereof. If and to the extent ratings would be assigned to the Covered Bonds by Moody's, such ratings would reflect Moody's assessment of the expected loss posed to Covered Bondholders by the legal final maturity of the relevant Covered Bonds. The expected ratings of the Covered Bonds are set out in the applicable Final Terms for each Series. Other Rating Agencies that, at the request of the Global Issuer, assign ratings to the Covered Bonds from time to time may make assessments of risks involved in respect of the Covered Bonds that are similar to, or differ from, any assessments made by Moody's, Fitch and/or S&P (if and to the extent any of them is a Rating Agency). Any such ratings assigned by Rating Agencies to the Covered Bonds from time to time may (therefore) not reflect all risks involved in an investment in Covered Bonds.

Certain decisions of Covered Bondholders taken at Programme level (including in relation to acceleration)

Any CB Programme Resolution to direct the CB Trustee to serve an Issuer Acceleration Notice, a Notice to Pay or a CBC Acceleration Notice, and any direction to the CB Trustee to take any enforcement action must be passed at a single meeting of the holders of all Covered Bonds of all Series then outstanding as set out in more detail in Condition 14 (*Meetings of Covered Bondholders, Modification and Waiver*) of the Terms and Conditions of the Covered Bonds set out in Chapter 22, Part 1 (the "CB Conditions") and can not be decided upon at a meeting of Covered Bondholders of a single Series. A CB Programme Resolution will be binding on all Covered Bondholders including Covered Bondholders who did not attend and vote at the relevant meeting and Covered Bondholders who voted in a manner contrary to the majority.

The CB Trustee may agree to modifications to the CB Transaction Documents without the Covered Bondholders' or other Secured Creditors' prior consent

Pursuant to the terms of the CB Trust Deed, the CB Trustee may, without the consent or sanction of any of the Covered Bondholders or any of the other Secured Creditors (other than the CB Trustee (where applicable)), concur with any person in making or sanctioning any modifications to the Covered Bonds of any Series, the related Coupons or any CB Transaction Documents to which the CB Trustee is a party or over which it has Security (including without limitation designating additional creditors as Secured Creditors):

- provided that (i) in the opinion of the CB Trustee such modification is not materially prejudicial to the interests of (a) any of the Covered Bondholders of any Series or (b) any of the other Secured Creditors (other than the CBC) (in which respect the CB Trustee may rely upon the

consent in writing of any other Secured Creditor as to the absence of material prejudice to the interests of such Secured Creditor) and (ii) it has not been informed in writing by any Secured Creditor (other than any Covered Bondholder(s)) that such Secured Creditor will be materially prejudiced thereby (other than a Secured Creditor who has given his/her written consent as aforesaid), and, in either case, such modification is notified to the Rating Agencies; or

- which in the opinion of the CB Trustee are made to correct a manifest error or an error established as such to the satisfaction of the CB Trustee or of a formal, minor or technical nature or are made to comply with mandatory provisions of law.

Registered Covered Bonds

Payments of principal, interest (if any) and any other amounts in respect of Registered Covered Bonds will be made to the person shown on the CB Register as being entitled to the relevant amount of principal or interest or other amount, or part thereof, as the case may be, at the opening of business on the second Business Day falling prior to the due date of such payments. If any Registered Covered Bondholder transfers any Registered Covered Bonds in accordance with Condition 19(c) of the CB Conditions and the CB Trust Deed and such transfer is notified to the Global Issuer and the CBC prior to the close of business on the Record Date, the Global Issuer, the CBC and the CB Trustee will in respect of the Registered Covered Bond so transferred, be discharged from their respective payment obligations only by payment to or to the order of the transferee. If the notification of transfer of the relevant Registered Covered Bond is made after the close of business on the Record Date, (i) the risk that the transfer is not timely recorded in the CB Register is borne by the transferee and (ii) the Global Issuer, the CBC, the CB Trustee, the CB Registrar and the relevant CB Paying Agent shall not be liable as a result of any payment being made to the person shown in the CB Register in accordance with Condition 19 (*Terms and Conditions of Registered Covered Bonds*) of the CB Conditions and the Global Issuer, the CBC and the CB Trustee will be discharged from their respective payment obligations. The CB Registrar shall fulfill certain obligations of the CB Principal Paying Agent in relation to payments in respect of the Registered Covered Bonds.

To the extent that Dutch law is applicable, one of the requirements for a valid transfer of a Covered Bond, is a valid delivery (*levering*). Investors should be aware that delivery of a Registered Covered Bond requires the execution of an assignment deed (*akte van cessie*) between the assignor and the assignee and notification thereof by the assignor or the assignee to the Global Issuer and the CBC, if it concerns a notified assignment.

Exchange of Covered Bonds

The CB Conditions permit the Global Issuer to exchange, without the consent of the CB Trustee or the Covered Bondholders, any existing Covered Bonds then outstanding for new Covered Bonds following the coming into force in The Netherlands of any legislation similar to covered bond legislation in force in any other European Union country or any rules, regulations or guidelines published by any governmental authority that provides for bonds issued by Dutch issuers to qualify for the same benefits available pursuant to covered bond legislation in force in any other European Union country provided that, among other things, each of the Rating Agencies then rating the existing Covered Bonds confirms in writing that any such new Covered Bonds will be assigned the same ratings as are then applicable to the existing Covered Bonds. Any such new Covered Bonds, if issued, will qualify as covered bonds under such new legislation, rules, regulations or guidelines and will be subject to the same economic terms and conditions as the existing Covered Bonds then outstanding.

4.2 ASSET-BACKED GUARANTEE

CBC only obliged to pay Guaranteed Amounts when the same are Due for Payment

The CBC has no obligation to pay the Guaranteed Amounts payable under the CB Guarantee until service by the CB Trustee:

- (a) on the Global Issuer of an Issuer Acceleration Notice and (b) on the CBC of a Notice to Pay; or, if earlier
- on the Global Issuer and the CBC of a CBC Acceleration Notice.

A Notice to Pay shall only be served if (a) a Global Issuer Event of Default occurs and results in service by the CB Trustee of an Issuer Acceleration Notice on the Global Issuer or (b) a Breach of the Asset Cover Test, a Breach of any Pre-Maturity Test (to be implemented if any Tranche of HB Covered Bonds is issued) or Breach of any Portfolio Test (if implemented) occurs. A CBC Acceleration Notice can only be served if a CBC Event of Default occurs.

Following service of an Issuer Acceleration Notice on the Global Issuer, a Notice to Pay shall be served by the CB Trustee on the CBC. However, a failure by the Global Issuer to make a payment in respect of one or more Series of Covered Bonds will not automatically result in the service of an Issuer Acceleration Notice. The CB Trustee may, but is not obliged to, serve an Issuer Acceleration Notice unless and until requested or directed by Covered Bondholders of all Series of Covered Bonds then outstanding.

If a Notice to Pay is served by the CB Trustee on the CBC following (i) a Breach of the Asset Cover Test, (ii) a Breach of any Pre-Maturity Test (to be implemented if any Tranche of HB Covered Bonds is issued) or (iii) a Breach of any Portfolio Test (if implemented), the CBC will not be obliged to make payments under the CB Guarantee until (a) a Global Issuer Event of Default has occurred and an Issuer Acceleration Notice has been served or (b) a CBC Event of Default has occurred and a CBC Acceleration Notice has been served.

Following service of a Notice to Pay on the CBC (provided (a) a Global Issuer Event of Default has occurred and an Issuer Acceleration Notice has been served and (b) no CBC Acceleration Notice has been served) under the terms of the CB Guarantee the CBC will be obliged to pay Guaranteed Amounts as and when the same are Due for Payment. Such payments will be subject to and will be made in accordance with the Post-Notice-to-Pay Priority of Payments. In these circumstances, other than the Guaranteed Amounts, the CBC will not be obliged to pay any amount, for example in respect of broken funding indemnities, penalties, premiums, default interest or interest on interest which may accrue on or in respect of the Covered Bonds.

Subject to applicable grace periods, if the CBC fails to make a payment when Due for Payment under the CB Guarantee or any other CBC Event of Default occurs then the CB Trustee may accelerate the Covered Bonds (to the extent not yet accelerated) by service of a CBC Acceleration Notice, whereupon the CBC will under the CB Guarantee owe the Early Redemption Amount of each Covered Bond, together with accrued interest and certain other amounts then due under the Covered Bonds. Following service of a CBC Acceleration Notice, the CB Trustee may enforce the Security over the Secured Property. The proceeds of enforcement of the Security shall be applied by the CB Trustee in accordance with the Post-CBC-Acceleration-Notice Priority of Payments, and Covered Bondholders will receive amounts from the CBC on an accelerated basis. Without limitation, if a CBC Acceleration Notice is served on the CBC then the Covered Bonds may be repaid sooner or later than expected or not at all.

Extendable obligations under the CB Guarantee in respect of SB Covered Bonds

If the CBC is obliged under the CB Guarantee to pay a Guaranteed Final Redemption Amount in respect of a Series of SB Covered Bonds and has insufficient funds available under the relevant Priority of Payments to pay the Guaranteed Final Redemption Amount in respect of such Series of SB Covered Bonds on the Extension Date, then the obligation of the CBC to pay such Guaranteed Amount shall automatically be deferred to the relevant Extended Due for Payment Date. However, to the extent the CBC has sufficient moneys available to pay in part the Guaranteed Final Redemption Amount in respect of such Series of SB Covered Bonds, the CBC shall make such partial payment in accordance with the relevant Priority of Payments, as described in Condition 3 (*The CB Guarantee*) of the CB Conditions on the relevant Extension Date and any subsequent Interest Payment Date falling prior to the relevant Extended Due for Payment Date. Payment of the unpaid amount under such Series of SB Covered Bonds shall be deferred automatically until the applicable Extended Due for Payment Date. The Extended Due for Payment Date will fall one year after the CB Final Maturity Date. Interest will continue to accrue and be payable on the unpaid Guaranteed Final Redemption Amount in respect of such Series of SB Covered Bonds on the basis set out in the applicable Final Terms or, if not set out therein, Condition 4 (*Interest*) of the CB Conditions, *mutatis mutandis*. In these circumstances, except where the CBC has failed to apply money in accordance with the relevant Priority of Payments in accordance with Condition 3 (*The CB Guarantee*) of the CB Conditions, failure by the CBC to pay the relevant Guaranteed Final Redemption Amount in respect of such Series of SB Covered Bonds on the Extension Date or any subsequent Interest Payment Date falling prior to the Extended Due for Payment Date (or the relevant later date in case of an applicable grace period) shall not constitute a CBC Event of Default. However, failure by the CBC to pay such Guaranteed Final Redemption Amount or the balance thereof, as the case may be, on the relevant Extended Due for Payment Date and/or pay any other amount due under the CB Guarantee will (subject to any applicable grace period) constitute a CBC Event of Default.

The Global Issuer also has the option to issue Series of HB Covered Bonds from time to time under the Programme. Any obligation of the CBC to pay the Guaranteed Final Redemption Amount in respect of a Series of HB Covered bonds will not be extended and will be due at the relevant CB Final Maturity Date (subject to any applicable grace period).

As a result, the Guaranteed Final Redemption Amount in respect of a Series of HB Covered Bonds with a certain CB Final Maturity Date, may become due (and be paid) by the CBC (a) up to one year prior to the Guaranteed Final Redemption Amount in respect of a Series of SB Covered Bonds having the same CB Final Maturity Date as such Series of HB Covered Bonds and (b) prior to the Guaranteed Final Redemption Amount in respect of any Series of SB Covered Bonds with an up to one year earlier CB Final Maturity Date. If HB Covered Bonds are issued, the Pre-Maturity Test will be implemented, with the intent to provide liquidity for such HB Covered Bonds. However there is no assurance that there will indeed be such liquidity.

Limited resources available to the CBC

The CBC's ability to meet its obligations under the CB Guarantee will depend on the realisable value of Transferred Assets (net of, without limitation, amounts due to the Participants in the case of Participation Receivables), the amount of principal and interest (or other revenue) proceeds generated by the Transferred Assets (net of, without limitation, amounts due to the Participants in the case of Participation Receivables) and Authorised Investments and the timing thereof and amounts received from the Swap Providers, the Participants and the Account Bank and in respect of HB Covered Bonds only, prior to a CBC Event of Default and following a Breach of any Pre-Maturity Test (to be implemented if any Tranche of HB Covered Bonds is issued) only, any amounts available under a CBT Facility. The CBC will not have any other source of funds available to meet its obligations under the CB Guarantee.

If a CBC Event of Default occurs and the Security created by or pursuant to the Security Documents is enforced, the Secured Property may not be sufficient to meet the claims of all the Secured Creditors, including

the Covered Bondholders. If, following enforcement of the Security constituted by or pursuant to the Security Documents, the Secured Creditors have not received the full amount due to them pursuant to the terms of the CB Transaction Documents, then they may still have an unsecured claim against the Global Issuer for the shortfall. There is no guarantee that the Global Issuer will have sufficient funds to pay that shortfall.

Covered Bondholders should note that the Asset Cover Test has been structured to ensure that the Adjusted Aggregate Asset Amount is greater than the aggregate Principal Amount Outstanding of the Covered Bonds for so long as Covered Bonds remain outstanding, which should reduce the risk of there ever being a shortfall. However there is no assurance that there will not be a shortfall.

Reliance of the CBC on third parties

The CBC has entered into agreements with a number of third parties, which have agreed to perform services for the CBC. In particular, but without limitation, the Initial Servicer has been (and New Servicers may be) appointed to service the Transferred Receivables and the CB Administrator has been appointed to monitor compliance with the Asset Cover Test, any Pre-Maturity Test (to be implemented if any Tranche of HB Covered Bonds is issued), the Amortisation Test and the Portfolio Test (if implemented) and to provide administration services to the CBC. In the event that any of those parties fails to perform its obligations under the relevant agreement to which it is a party, the realisable value of the Transferred Assets or any part thereof may be affected, or, pending such realisation (if the Transferred Assets or any part thereof cannot be sold), the ability of the CBC to make payments under the CB Guarantee may be affected. For instance, if a Servicer has failed to adequately administer the Transferred Receivables, this may lead to higher incidences of non-payment or default by Borrowers. The CBC is also reliant on the Swap Providers to provide it with the funds matching its obligations under the CB Guarantee.

If a Servicer Event of Default occurs pursuant to the terms of a Servicing Agreement, then the CBC and/or the CB Trustee will be entitled to terminate the appointment of the relevant Servicer and appoint a new servicer in its place. There can be no assurance that a substitute servicer with sufficient experience of administering mortgages of residential properties would be found who would be willing and able to service the Transferred Receivables on the terms of the Servicing Agreement. The ability of a substitute servicer to perform fully the required services would depend, among other things, on the information, software and records available at the time of the appointment. Any delay or inability to appoint a substitute servicer may affect the realisable value of the Transferred Receivables or any part thereof, and/or the ability of the CBC to make payments under the CB Guarantee. However, if a Servicer ceases to be assigned a long-term unsecured, unguaranteed and unsubordinated debt obligation rating by a Rating Agency of at least the Minimum Servicer Ratings the CBC will use reasonable efforts to enter into a master servicing agreement with a third party.

None of the Servicers have (or will have, as applicable) any obligation themselves to advance payments that Borrowers fail to make in a timely fashion. Covered Bondholders will have no right to consent to or approve of any actions taken by a Servicer under a Servicing Agreement.

The CB Trustee is not obliged in any circumstances to act as a Servicer or to monitor the performance by any Servicer of its obligations.

Pledges to CB Trustee

Under or pursuant to the Security Documents, various Dutch law pledges are granted by the CBC to the CB Trustee. A Dutch pledge can serve as security for monetary claims (*geldvorderingen*) only and can only be enforced upon default (*verzuim*) of the obligations secured thereby. Foreclosure on pledged property is to be carried out in accordance with the applicable provisions and limitations of the Dutch Civil Code (*Burgerlijk Wetboek*) and the Dutch Code of Civil Procedure (*Wetboek van Burgerlijke Rechtsvordering*).

The CBC is a special purpose entity. It has been set up as a bankruptcy remote entity, mainly in two ways. First, non-petition wording has been included in the relevant CB Transaction Documents. Notwithstanding such wording, it is possible that a Dutch court would deal with a petition for bankruptcy (*faillissement*) initiated by third party creditors (e.g. tax authorities) or Transaction Parties even if such petition was presented in breach of a non-petition covenant applying to the relevant Transaction Party. Secondly, recourse by the CB Transaction Parties to the CBC has been limited to the Transferred Assets and any other assets the CBC may have (excluding for the avoidance of doubt amounts standing to the credit of the Capital Account). It is therefore unlikely that the CBC becomes subject to an Insolvency Proceeding. Should the CBC be subjected to a Dutch Insolvency Proceeding nevertheless, the CB Trustee as pledgee can exercise the rights afforded by Dutch law to pledgees as if there were no Dutch Insolvency Proceedings. However, Dutch Insolvency Proceedings involving the CBC would affect the position of the CB Trustee as pledgee in some respects under Dutch law.

First, if and to the extent that assets purported to be pledged by the CBC to the CB Trustee, are future assets (i.e. assets that have not yet been acquired by the CBC or that have not yet come into existence) at the moment Dutch Insolvency Proceedings take effect (i.e. at 0:00 hours on the date Dutch Insolvency Proceedings are declared), such assets are no longer capable of being pledged by the CBC (unless the liquidator would agree). This would for example apply with respect to amounts that are paid to the CBC Accounts following the CBC's Dutch Insolvency Proceedings taking effect. As such crediting of the relevant CBC Account would not yet have occurred when the Dutch Insolvency Proceedings take effect, the resulting receivable of the CBC vis-à-vis the Account Bank would qualify as a future asset as abovementioned. However, if following the Dutch Insolvency Proceedings taking effect, amounts are due to be paid under receivables that have been pledged to the CB Trustee prior to such Dutch Insolvency Proceedings taking effect, the CB Trustee as pledgee could through notification to the relevant debtors prevent that such pledged receivables are further discharged through payments to the CBC Accounts by ordering the relevant debtors to pay to a different account. The reason for this is that as pledgee it is entitled to collect such receivables itself, i.e. on its own bank account, following notification of the assignment and pledge to the relevant debtor. Notification of the pledge may occur following the occurrence of a Notification Event (which includes without limitation Dutch Insolvency Proceedings being declared in respect of an Originator or the CBC). As long as no notification of the assignment has taken place in respect of pledged Transferred Receivables, the relevant debtor must continue to pay to the relevant Originator. Under *Section B.2 Guarantee Support - No Notification of Assignment of Eligible Receivables to CBC* of Chapter 1A, the position of the CBC is described in respect of payments so made to the relevant Originator prior to or after such Originator's possible Dutch Insolvency Proceedings taking effect. In respect of payments under pledged Transferred Receivables made to the CBC following notification of the assignment but prior to notification of the pledge and prior to Dutch Insolvency Proceedings of the CBC taking effect and not on-paid to the CB Trustee, the CB Trustee will be an ordinary, non-preferred creditor, having an insolvency claim (*voor verificatie vatbare vordering*). In respect of post-insolvency payments, the CB Trustee will be a preferred creditor having an insolvency claim. Creditors of insolvency claims have to share in the general insolvency costs and have to await finalisation of a (provisional) distribution list (*(voorlopige) uitdelingslijst*).

Secondly, the following mandatory rules of Dutch insolvency law may affect the enforcement of the CB Trustee's pledges:

- a statutory stay of execution ('cooling-off period') of up to two months - with a possible extension by up to two more months - may be imposed during each type of Dutch Insolvency Proceedings by court order. Such stay of execution does not prevent the CB Trustee from giving notice to the debtors of any pledged receivables and collecting the proceeds thereof. However, where applicable, it will prevent the CB Trustee from (i) taking recourse against any amounts so collected during such stay of execution and (ii) selling pledged assets to third parties;

- the liquidator in bankruptcy can force the CB Trustee to enforce its security right within a reasonable period of time, failing which the liquidator in bankruptcy will be entitled to sell the pledged assets and distribute the proceeds. In such case, the CB Trustee will receive payment prior to ordinary, non-preferred creditors having an insolvency claim but after creditors of the estate (*boedelschuldeisers*). It should be noted, however, that said authority of the liquidator in bankruptcy only aims to prevent a secured creditor from delaying the enforcement of the security without good reason; and
- excess proceeds of enforcement must be returned to the CBC in its Dutch Insolvency Proceedings; they may not be set-off against an unsecured claim (if any) of the CB Trustee on the CBC. Such set-off is in principle allowed prior to the Dutch Insolvency Proceedings.

Similar or different restrictions may apply in case of Insolvency Proceedings other than Dutch Insolvency Proceedings.

Parallel Debt

It is intended that the CBC grants pledges to the CB Trustee for the benefit of the Secured Creditors. However, under Dutch law there is no concept of trust and it is uncertain whether a pledge can be granted to a party other than the creditors of the receivables purported to be secured by such pledge. The Global Issuer has been advised that under Dutch law a 'parallel debt' structure can be used to give a trustee its own, separate, independent right of claim on identical terms as the relevant creditors. For this purpose, the CB Trust Deed creates a parallel debt of the CBC to the CB Trustee equal to the corresponding principal obligations, so that the Security can be granted to the CB Trustee in its own capacity as creditor of the parallel debt. In the CB Trust Deed it is agreed that obligations of the CBC to the CB Trustee under the parallel debt shall be decreased to the extent that the corresponding principal obligations to the Secured Creditors are reduced (and *vice versa*). In the CB Trust Deed the CB Trustee agrees to act as trustee as abovementioned and agrees:

- to act for the benefit of the Secured Creditors in administering and enforcing the Security; and
- to distribute the proceeds of the Security in accordance with the provisions set out in the CB Trust Deed.

Any payments in respect of the parallel debt and any proceeds of the Security (in each case to the extent received by the CB Trustee) are in case the CB Trustee becomes subject to Dutch Insolvency Proceedings not separated from the CB Trustee's other assets, so the Secured Creditors accept a credit risk on the CB Trustee. However, the CB Trustee is a special purpose entity and is therefore unlikely to become subject to an Insolvency Proceeding.

Transfer of CB Guarantee

Under Netherlands law an independent guarantee like the CB Guarantee in general is an independent claim and not an accessory right (*afhankelijk recht*) and is unlikely to be an ancillary right (*nevenrecht*) that by operation of law follows the receivables it secures upon transfer thereof. The Global Issuer has been advised that, in the case of Bearer Covered Bonds, such an 'automatic' transfer of the CB Guarantee can be accomplished by ensuring that the CB Guarantee forms an integral part of the Covered Bonds. For this reason the CB Guarantee and the Covered Bonds will provide that the rights under the CB Guarantee (a) form an integral part of the Covered Bonds, (b) are of interest to a holder of Covered Bonds only if, to the extent that, and for so long as, it holds Covered Bonds and (c) can only be transferred together with all other rights under the relevant Covered Bond. The Global Issuer has been advised that as a result, in case of a transfer of a Covered Bond to a transferee by way of book-entry transfer (*girale overboeking*) or physical transfer of a Bearer Covered Bond, such transfer includes the corresponding rights under the CB Guarantee. For

Registered Covered Bonds, the rights under the CB Guarantee are to be separately assigned, together with the corresponding rights under the relevant Registered Covered Bonds.

4.3 GUARANTEE SUPPORT

No Notification of Assignment of Eligible Receivables to CBC

The Guarantee Support Agreement provides that the transfer of the Eligible Receivables will be effected through a silent assignment (*stille cessie*) by the relevant Originator to the CBC. This means that legal ownership of the Eligible Receivables will be transferred to the CBC by registration of a duly executed deed of assignment with the tax authorities (*Belastingdienst*), without notifying the debtors of such Eligible Receivables. The assignment will only be notified to the debtors if a Notification Event occurs. Notification is only necessary to achieve that the debtors can no longer discharge their obligations by paying to the relevant Originator.

As long as no notification has taken place, any payments made by the debtors under the Transferred Receivables must continue to be made to the relevant Originator. In respect of payments so made prior to a Dutch Insolvency Proceeding of the relevant Originator, the CBC will be an ordinary, non-preferred creditor, having an insolvency claim. In respect of post-insolvency payments, the CBC will be a creditor of the estate (*boedelschuldeiser*), and will receive payment prior to creditors with insolvency claims, but after preferred creditors of the estate.

Transfer to CBC of Eligible Receivables Secured by All-monies Security

Under Dutch law mortgages and pledges are in principle accessory rights (*afhankelijke rechten*) which pursuant to articles 3:7, 3:82 and 6:142 of the Dutch Civil Code automatically follow the receivables they secure, for example if such receivables are transferred to a third party. The mortgages and pledges securing the Eligible Receivables qualify as either:

- 'fixed' security, securing only (i) one or more specified receivables of the relevant initial pledgee or mortgagee against the relevant debtor or (ii) receivables arising from one or more specified contractual relationships (*rechtsverhoudingen*) between the relevant initial pledgee or mortgagee and the relevant debtor ("Fixed Security"); or
- 'all-monies' security, securing all present and future receivables of the relevant initial pledgee or mortgagee against the relevant debtor, whether in general (*bankzekerheidsrecht*) or under any and all present and future credit agreements (*kredietzekerheidsrecht*) ("All-monies Security").

In the past a considerable degree of uncertainty existed in Dutch legal writing as to whether a transfer of a receivable secured by All-monies Security, results in a transfer of the All-monies Security, or a share therein, to the transferee.

The Global Issuer has been advised that like any other mortgage or pledge, an all-monies mortgage or pledge under Dutch law is in principle an accessory right (*afhankelijk recht*) and that, therefore, upon a transfer of a receivable secured by All-monies Security, the transferee will in principle become entitled to a share in the All-monies Security by operation of law. The Global Issuer has been advised that the above is confirmed by the *Onderdrecht v. FGH and PHP* decision of the Dutch Supreme Court (HR 16 September 1988, NJ 1989, 10). In this decision, the Supreme Court ruled that the main rule is that a mortgage as an accessory right transfers together with the receivable it secures. The Court also held that it is a question of interpreting the relevant clause in the mortgage deed whether the definition of the secured receivables entails that the mortgage exclusively vests in the original mortgagee, in deviation of said main rule. The Global Issuer has been advised that where the mortgage or pledge deed contains no specific intention regarding the

transfer of the mortgage or pledge, the abovementioned main rule applies, so that following a transfer of a secured receivable, the relevant receivable will continue to be secured by the mortgage or pledge.

The Originators will under or pursuant to the Guarantee Support Agreement warrant and represent that the relevant mortgage and pledge deeds contain either (i) no specific wording regarding the transfer of any right of mortgage or pledge securing the Eligible Receivables or (ii) an express confirmation to the effect that upon a transfer of the relevant Eligible Receivable, the Eligible Receivable will following the transfer continue to be secured by the mortgage or pledge.

Joint Security of CBC and Originators

As a consequence of the transfer to the CBC of Eligible Receivables secured by All-monies Security (or, if not all receivables which are secured, or if not the entire contractual relationship (*rechtsverhouding*) from which receivables may arise which will be secured, by the relevant security right are or is, respectively, transferred to the CBC, Fixed Security), the relevant All-monies Security (or where applicable Fixed Security) will become part of a joint estate (*gemeenschap*) of the CBC and the original mortgagee or pledgee, governed by articles 3:166 *et seq.* of the Dutch Civil Code. This means, among other things, that in the case of foreclosure of the All-monies Security (or where applicable Fixed Security), the relevant original mortgagee or pledgee and the CBC in principle need to act jointly and share the proceeds *pro rata* on the basis of their respective shares in the joint estate.

For this purpose the Guarantee Support Agreement contains an intercreditor arrangement granting the CBC the right to (i) foreclose on the All-monies Security (or where applicable Fixed Security) without involvement of the relevant Originator and (ii) take recourse to the foreclosure proceeds prior to the relevant Originator. The Global Issuer has been advised that it is uncertain whether said arrangement is binding on the relevant Originator's liquidator or administrator in Dutch Insolvency Proceedings. However, the Global Issuer has also been advised that on the basis of articles 3:166, 168, 170 and 172 of the Dutch Civil Code there are good arguments to state that such arrangement is binding. Moreover, generally the above only becomes relevant in the event that each of the following conditions is met:

- the Borrower does not meet his secured obligations in full to either the Originator or the CBC, in particular because he is insolvent;
- the Originator is subject to an Insolvency Proceeding; and
- the proceeds of the Secured Property are insufficient to fully satisfy the secured receivables of the relevant Originator and the CBC.

The abovementioned intercreditor arrangement will be backed up by an undertaking of each relevant Originator to pledge to the CBC its Residual Claims forthwith, and in any event within 10 business days after the occurrence of such downgrade or withdrawal, vis-à-vis the relevant Borrowers which are secured by the relevant All-monies Security (or where applicable Fixed Security), unless an appropriate remedy to the satisfaction of the CB Trustee is found after having notified the Rating Agencies, (A) in case any of the Global Issuer's long-term credit ratings ceases to be at least the Minimum Long Term Required Ratings, and the Global Issuer does not regain such Minimum Long Term Required Ratings on the date falling twelve months after the date of such downgrade or (B) in case any of the Global Issuer's long-term credit ratings ceases to be at least the Minimum Long Term Trigger Ratings or any such rating is withdrawn.

The pledge (if implemented) will secure a special indemnity created in the Guarantee Support Agreement for this purpose, under which each relevant Originator undertakes to pay to the CBC an amount equal to its share in the foreclosure proceeds. Recourse in respect of the indemnity is limited to the relevant Originator's share in the foreclosure proceeds. The indemnity will be immediately due and payable in case the relevant Borrower defaults (*in verzuim is*) in respect of the relevant Transferred Receivable or the

receivable(s) he owes to the relevant Originator. If and to the extent the pledge is implemented and any foreclosure proceeds are applied in discharge of the indemnity, the relevant Originator's pledged receivables vis-à-vis the relevant Borrower would be discharged. For this reason, the CBC undertakes in the Guarantee Support Agreement to in that case retransfer to the relevant Originator a part of the unsatisfied part of the relevant Transferred Receivable for a principal amount corresponding to the principal amount of the Residual Claims so applied.

The Guarantee Support Agreement provides that:

- (i) the Originators warrant and represent that:
 - (A) the relevant Receivable was originated by the relevant Originator (which includes origination by an originator (i) which has Merged into the relevant Originator or (ii) whose Relevant Assets and Liabilities have been acquired by the relevant Originator pursuant to a Demerger) and the relevant Originator has not (nor has any such relevant Merged Originator or Demerged Originator (as the case may be)) transferred any receivable (including but not limited to any Residual Claim) secured by the Related Security to any party other than (a) the CBC (or in the case of a Merged Originator or Demerged Originator (as the case may be), other than the relevant Originator) and/or (b) an insurer pursuant to a Master Transfer Agreement in relation to an MTA Receivable; or
 - (B) the relevant Receivable is secured by Related Security which does not include All-monies Security and any and all present and future receivables which are secured by the Fixed Security forming part of the Related Security, together with any and all contractual relationships (*rechtsverhoudingen*) from which receivables have arisen or may arise which are or will be secured by such Fixed Security, have, together with all Related Security, been transferred to (i) such Originator or (ii) an insurer pursuant to a Master Transfer Agreement in relation to an MTA Receivable; and
- (ii) if (a) the relevant Originator will transfer any Residual Claims vis-à-vis the relevant Borrowers which are secured by the relevant All-monies Security (or where applicable Fixed Security), it will simultaneously transfer its corresponding obligations and rights under the intercreditor arrangement to the relevant transferee (other than an insurer pursuant to a Master Transfer Agreement in relation to an MTA Receivable) and (b) the CBC transfers a Transferred Receivable to any transferee other than the relevant Originator or insurer, it is entitled to transfer its corresponding rights and obligations under the intercreditor arrangement to the relevant transferee. In addition, the relevant Originator will ensure that upon a transfer as referred to in (a), the relevant transferee (other than any transferee that is a member of the ING Group) shall immediately pledge to the CBC such Residual Claims if such transferee's long-term credit ratings are less than the Minimum Long Term Required Ratings or Minimum Long Term Trigger Ratings (whereby any reference in such definitions to the Global Issuer is, for the purpose hereof, deemed to be a reference to such transferee) or if such transferee does not have any long-term credit rating assigned to it.

If, after the pledge of the Residual Claims, the Global Issuer regains a long-term rating from each of the Rating Agencies of at least the Minimum Long Term Required Ratings and retains such Minimum Long Term Required Ratings for a consecutive period of at least twelve months, the CBC and the CB Trustee will be obliged to release the rights of pledge vested on the Residual Claims. In addition, each of the CBC and the CB Trustee undertakes to release such right of pledge on any Residual Claims if (i) the principal amount outstanding in respect of the relevant Transferred Receivable secured by the same Related Security has been repaid in full together with all accrued interest and other secured amounts due under or in connection with the

related Loan or (ii) all Transferred Receivables that are secured by the same Related Security as such Residual Claims have been retransferred to the relevant Originator in accordance with the terms of the Guarantee Support Agreement.

In the Guarantee Support Agreement each Originator furthermore (i) represents and warrants that it has not transferred any Residual Claims to any party (other than an insurer pursuant to a Master Transfer Agreement in relation to an MTA Receivable) prior to the relevant Transfer Date on which a Transferred Receivable that is secured by the same Related Security is transferred to the CBC in accordance with the terms of the Guarantee Support Agreement and (ii) covenants, among other things, that if (a) it makes any Further Advance under any Loan Agreement relating to a Transferred Receivable, (b) such Further Advance is secured by the same Related Security and (c) such Further Advance results in an Eligible Receivable, then it will transfer such further Eligible Receivable to the CBC as soon as reasonably practicable and, if possible, prior to the following Calculation Date.

Set-Off by Borrowers

Notwithstanding the assignment and pledge of the Eligible Receivables to the CBC, and CB Trustee, respectively, the Borrowers may be entitled to set off the relevant Eligible Receivable against a claim they may have vis-à-vis the relevant Originator (if any), such as counterclaims resulting from a current account relationship, counterclaims resulting from securities issued by the relevant Originator (e.g. *ING Garantiebiljetten*), counterclaims resulting from damages incurred by a Borrower as a result of acts performed by the relevant Originator, and, depending on the circumstances, other counterclaims such as counterclaims relating to a Construction Deposit or resulting from deposits that pursuant to the terms of a relevant Investment Loan have been made by the Borrower in a savings account maintained in his name with the relevant Originator which is connected to his securities account, or deposits that have been made by the Borrower in any other account maintained in his name with the relevant Originator (see, for example, also under 2 of the paragraph named *Non-payment by Insurer* below). In addition to a Loan entered into with a Borrower to which an Eligible Receivable relates, a relevant Originator may also enter into a Revolving Credit Loan with such Borrower from time to time. In certain circumstances (e.g. non-compliance by the relevant Originator of its obligations under the relevant Revolving Credit Loan), a Borrower may, in addition to a Deduction Risk (as described below) that could arise in such circumstances, be similarly entitled to set-off the relevant Eligible Receivable against a claim that he may have vis-à-vis the relevant Originator (if any) under such Revolving Credit Loan.

In the absence of contractual provisions expanding statutory set-off possibilities, mutuality of claims is one of the requirements for set-off to be allowed: the parties, mutually, have to be each other's creditor and debtor. Following an assignment of an Eligible Receivable by an Originator to the CBC, the relevant Originator would no longer be the creditor of the Eligible Receivable. However, for as long as the assignment has not been notified to the relevant Borrower, the Borrower remains entitled to set off the Eligible Receivable as if no assignment had taken place. After notification of the assignment or pledge, the relevant Borrower can still invoke set-off pursuant to article 6:130 of the Dutch Civil Code. On the basis of such article a Borrower can invoke set-off against the CBC (and the CB Trustee as pledgee) if the Borrower's claim vis-à-vis the relevant Originator (if any) stems from the same legal relationship as the Eligible Receivable or became due and payable before the notification. In addition, the possibility cannot be excluded that on the basis of an analogous interpretation of article 6:130 of the Dutch Civil Code, a Borrower will be entitled to invoke set-off against the CBC if prior to the notification, the Borrower was either entitled to invoke set-off against the relevant Originator (e.g. on the basis of article 53 of the Dutch Bankruptcy Code) or had a justified expectation that he would be entitled to such set-off against the relevant Originator. A silent assignment is, in this respect, treated in the same way as an undisclosed right of pledge.

Some of the standard form mortgage documentation provide for a waiver by the Borrower of his rights of set-off vis-à-vis the relevant Originator. However, the waiver of set-off by a Borrower could be voided pursuant to Dutch contract law and may therefore not be enforceable. The Guarantee Support Agreement provides that if a Borrower sets off amounts due to it by an Originator against the relevant Transferred Receivable, the relevant Originator will pay to the CBC an amount equal to the amount so set-off.

Non-payment by insurer

Some of the Eligible Receivables relate to a mortgage loan agreement between the Borrower and the relevant Originator which is connected to an insurance agreement between the Borrower and an insurer. The insurance agreement relates to a combined risk and savings and/or capital/investment insurance product. The Borrower of such an Eligible Receivable does not repay principal during the term of the relevant mortgage loan, but instead, apart from paying a risk premium, invests savings and/or capital/investment premium under the insurance policy. The intention is that at maturity, the principal proceeds of the savings and/or capital/investment (the “Proceeds”) can be used to repay the loan, in whole or in part, following pay-out of the Proceeds by the insurer. However, it is possible that the relevant insurer becomes subject to an Insolvency Proceeding or for any other reason does not (fully) pay out the Proceeds. In cases where the Proceeds are so lost and a Borrower is requested to repay the full principal amount of the relevant mortgage loan, the Borrower may invoke defences purporting to establish that an amount equal to the lost Proceeds is deducted from the Transferred Receivable he owes to the CBC (the risk that such a defence is successfully invoked is hereinafter referred to as the “Deduction Risk”).

The Global Issuer has been advised that a Borrower's relationships with the relevant Originator and insurer, are in principle two separate relationships. The Global Issuer has been advised that under Dutch law generally a range of defences is available to the Borrower, but that in cases as described above, the Borrower's defence is likely to focus on information provided by or on behalf of an Originator which may have led the relevant Borrower to believe that he was not entering into two separate relationships. In this respect, a general factor which to a certain extent increases the Deduction Risk, is that all Borrowers are consumers, many of whom may have limited or no legal knowledge. On this basis the Global Issuer has been advised that insofar as the Deduction Risk is concerned, the products to which the Eligible Receivables relate can generally be divided into five categories:

1. *Products with no Investment or Mixed Insurance Element*

Certain Eligible Receivables do not relate to any investment product or Mixed Insurance Policy. The Global Issuer has been advised that, as a result, the Deduction Risk does not play a role for such Eligible Receivables. Under or pursuant to the Guarantee Support Agreement, each Originator warrants and represents in relation to any of its Eligible Receivables which is related to an Interest-Only Loan, an Annuity Loan or a Linear Loan, that the relevant Receivable does not relate to any investment product or Mixed Insurance Policy.

2. *Products with Investment (and, if applicable, Savings) (but no Mixed Insurance) Element*

Certain Eligible Receivables do not relate to any Mixed Insurance Policy but relate to a securities account agreement between the relevant Borrower and:

- an investment firm (*beleggingsonderneming*) in the meaning ascribed thereto in the Wft, being either a broker (*bemiddelaar*) or an asset manager (*vermogensbeheerder*); or
- a bank.

The securities account agreement provides for a securities account maintained in the name of the relevant Borrower with the relevant investment firm or bank. The Global Issuer has been advised that by law:

- the investment firm is obliged to administer the securities through a bank (see the next paragraph) or a separate securities giro (*effectengiro*); and
- the bank is obliged to administer the securities through a separate depository vehicle unless the transfer of any such securities is subject to the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer 1977*), in which case the bank can administer such securities itself.

The Global Issuer has been advised that this means that the relevant Borrower is expected to be investing through a bankruptcy remote securities account, in which case the Deduction Risk does not play a role (assuming that any relevant investment firm and/or bank complies with the relevant statutory and contractual obligations). However, please see also the paragraph named “Investment Products” below. Under or pursuant to the Guarantee Support Agreement, each Originator warrants and represents in relation to any of its Eligible Receivables which is related to an Investment Loan, that (i) the relevant Receivable does not relate to any Mixed Insurance Policy and (ii) the relevant securities account is maintained in the relevant Borrower's name with an investment firm or bank as abovementioned.

The Global Issuer has been advised that for Eligible Receivables of this category in respect of which deposits have been made by the Borrower in (i) a savings account maintained in his name with the Bank which is connected to his securities account or (ii) any other account maintained in his name with the Bank, such Borrower may be entitled to set off the relevant Eligible Receivable against the claims he may have against the Bank in respect of such deposits made into his accounts even in circumstances where the Eligible Receivable is transferred to the CBC (see also the paragraph named *Set-Off by Borrowers* above).

The Guarantee Support Agreement provides that if a Borrower sets off amounts due to him by an Originator against the relevant Transferred Receivable, the relevant Originator will pay to the CBC an amount equal to the amount so set-off.

3. *Products with Mixed Insurance Element where Borrower selects insurer*

Certain Eligible Receivables relate to a Mixed Insurance Policy between the relevant Borrower and an insurer chosen by the Borrower (and approved by the relevant Originator). The Mixed Insurance Policy provides for a risk element for which risk premium is paid and a capital/investment element for which capital/investment premium is paid. The insurer keeps the capital/investment in its own name. The Global Issuer has been advised that for Eligible Receivables of this category, the Deduction Risk cannot be excluded, as there may be specific circumstances which justify an erroneous impression with the relevant Borrower that he was not entering into two separate relationships. For example, (i) sales people or sales materials may have created an impression (or sales people may have allowed to subsist an apparent impression) with the Borrower that his payments of capital/investment premium were 'as good as' repayments of the relevant loan or that the Borrower could not himself choose the relevant insurer and/or (ii) the insurance conditions may have been printed on the letterhead of, or otherwise contain eye catching references to, the relevant Originator (or *vice versa*). However, the Global Issuer has been advised that absent such specific circumstances, it is unlikely for the Deduction Risk to apply to Eligible Receivables of this category. As the Borrower selects an insurer of his own choice (subject to prior approval by the relevant Originator), this emphasises that it concerns two separate relationships.

Under or pursuant to the Guarantee Support Agreement, each Originator warrants and represents in relation to any of its Eligible Receivables which is related to a Life Loan falling under this category 3 that (i) the relevant Mixed Insurance Policy and the relevant Life Loan (other than a Life Loan in respect of which the related Mixed Insurance Policy is entered into by the Borrower with a Relevant Insurer) are not offered as one product and (ii) the relevant Borrowers are not obliged to enter into a Mixed Insurance Policy with an insurer which is a group company of the relevant Originator and are free to choose the insurer (subject to prior approval by the relevant Originator).

The Deduction Risk for Eligible Receivables relating to a Life Loan in respect of which the related Mixed Insurance Policy is entered into by the Borrower with a Relevant Insurer will in relation to the CBC be catered for through the Asset Cover Test and the Amortisation Test. The outcome of the Asset Cover Test and the Amortisation Test will be negatively influenced each time when further capital/investment premiums are paid to the insurer by the relevant Borrower (save to the extent further Eligible Assets are transferred to the CBC under or pursuant to the Guarantee Support Agreement).

4. *Products with Mixed Insurance Element where Originator pre-selects insurer*

Certain Eligible Receivables relate to a Mixed Insurance Policy between the relevant Borrower and an insurer pre-selected by the relevant Originator. The Mixed Insurance Policy provides for a risk element for which risk premium is paid and a savings or capital/investment element for which savings or capital/investment premium is paid. The insurer keeps the savings or capital/investment in its own name. The Global Issuer has been advised that for Eligible Receivables of this category, the Deduction Risk cannot be excluded, as there may be specific circumstances which justify an erroneous impression with the relevant Borrower that he was not entering into two separate relationships. For example, sales people or sales materials may have created an impression (or sales people may have allowed to subsist an apparent impression) with the Borrower that his payments of savings or capital/investment premium were 'as good as' repayments of the relevant loan. The Global Issuer has been advised that, although such specific circumstances may be absent, in general there may still be a certain Deduction Risk for Eligible Receivables of this category. As the Borrower has no option to choose an insurer, this could, possibly with other circumstances, have led the Borrower to believe that he was not entering into two separate relationships. Other relevant circumstances include whether:

- the mortgage loan agreement and the insurance agreement, respectively, or documents or general terms and conditions pertaining thereto, have been printed on the letterhead of, or otherwise contain eye catching references to, the insurer or the relevant Originator, respectively;
- the representative of the relevant Originator also represents the insurer (or *vice versa*), for example in taking care of the medical acceptance of the Borrower or otherwise in entering into, executing or carrying out the insurance or mortgage loan agreement;
- the insurer is, or was when entering into the agreements, an affiliate of the relevant Originator; and/or
- as is the case in respect of Savings Loans, the interest base applicable to the savings is linked to the interest base applicable to the relevant Loan.

Under or pursuant to the Guarantee Support Agreement, each Originator warrants and represents in relation to any of its Eligible Receivables which is related to a Life Loan and a Mixed Insurance Policy where an insurer is pre-selected by the relevant Originator that (i) the relevant Mixed Insurance Policy and the relevant Life Loan (other than a Life Loan in respect of which the related Mixed Insurance Policy is entered into by the Borrower with a Relevant Insurer) are not offered as one product and (ii)

the guaranteed yield of the capital/investment element under the Mixed Insurance Policy is not linked to the interest base applicable to the relevant Loan.

The Deduction Risk will be catered for as follows in relation to Savings Loans.

4.1 Deduction from Asset Cover Test and Amortisation Test

Unless and until a Master Sub-Participation Agreement is in effect in relation to the relevant Savings Receivable, an amount calculated on the basis of a method proposed to the Rating Agencies related to the relevant paid-in savings premium amounts will be deducted for the purposes of the Asset Cover Test and the Amortisation Test. Such a deduction in principle means that the outcome of the Asset Cover Test and the Amortisation Test will be negatively influenced each time when further savings premiums are paid to the insurer by the relevant Borrower (save to the extent further Eligible Assets are transferred to the CBC under or pursuant to the Guarantee Support Agreement).

4.2 Master Sub-Participation Agreement

Each Originator undertakes in the Guarantee Support Agreement to use reasonable endeavours to procure that upon the occurrence of a Notification Event, a Master Sub-Participation Agreement is, or is put, in place between the relevant insurer and the CBC and signed for acknowledgement by the relevant Originator in relation to Savings Receivables. For as long as no Notification Event has occurred, a Master Sub-Participation Agreement may, if it concerns an MTA Receivable and no Notification Event has occurred, be combined with a Further Master Transfer Agreement (see paragraph 4.3 (*Master Transfer Agreement*) below).

Pursuant to a Master Sub-Participation Agreement relating to any Savings Receivable, an Initial Settlement Amount and Further Settlement Amounts will be payable by the relevant Participant to the CBC in return for a Participation. If the relevant Borrower invokes against the CBC that he may deduct lost Proceeds from the relevant Transferred Receivable, the relevant Participation of the relevant Participant (who would be in default under the relevant insurance policy) will be reduced with an amount equal to such lost Proceeds. Unless and until (i) both an Issuer Acceleration Notice and a Notice to Pay are served or (ii) a CBC Acceleration Notice is served, all amounts expressed to be payable by or to the CBC under the relevant Master Sub-Participation Agreement, shall instead be payable by or to the Global Issuer for its own account in accordance with the Pre-Notice-to-Pay Priority of Payments. However, if (i) an Issuer Acceleration Notice and a Notice to Pay are served or (ii) a CBC Acceleration Notice is served, all Initial Settlement Amounts and Further Settlement Amounts will be collected by or on behalf of the CBC and be applied in accordance with the Post-Notice-to-Pay Priority of Payments or Post-CBC-Acceleration-Notice Priority of Payments, as the case may be. For the purpose of the Asset Cover Test and the Amortisation Test, the Net Outstanding Principal Balance of the relevant Transferred Receivable will be taken into account, meaning in relation to Savings Receivables in respect of which a Master Sub-Participation Agreement is in effect, that an amount equal to the relevant Participation will be deducted.

4.3 Master Transfer Agreement

Certain Savings Receivables of the category described in this paragraph 4 (each an “MTA Receivable”) are subject to an existing master transfer agreement between the relevant insurer and the relevant Originator (a “Master Transfer Agreement”). On the basis of such Master Transfer Agreement a part of the relevant Eligible Receivable is on a monthly basis transferred

to the insurer against on-payment of the relevant savings premium. The Deduction Risk for MTA Receivables will be catered for as set out in this paragraph 4.3 only.

The existing Master Transfer Agreements fit into the Programme as follows: the part of the loan owed to the relevant Originator constitutes the Eligible Receivable to be transferred to the CBC, whereas the CBC will on a monthly basis retransfer part of the relevant Transferred Receivable back to the relevant Originator, for on-transfer to the relevant insurer. The Guarantee Support Agreement and the Trust Deed provide that on-payments of savings premium received by the CBC as purchase price from the relevant Originator or the relevant insurer (on behalf of the relevant Originator), as the case may be, in connection with such retransfers under the Guarantee Support Agreement and any such Master Transfer Agreement will constitute principal proceeds in relation to, and for the purpose of, the relevant part of the Transferred Receivable and will on that basis be applied in accordance with the relevant Priority of Payments. Furthermore, the Guarantee Support Agreement provides that upon the occurrence of a Notification Event no further retransfers of MTA Receivables by the CBC to the relevant Originator for the purpose of on-transfer of such MTA Receivables by the relevant Originator pursuant to a Master Transfer Agreement will take place.

As a consequence of such indirect or, following the occurrence of a Notification Event, direct (re-)transfers to the insurer of Eligible Receivables secured by All-monies Security (or where applicable Fixed Security), the relevant All-monies Security (or where applicable Fixed Security) will become part of a joint estate (*gemeenschap*) of the insurer and the relevant Originator, or, as the case may be, CBC. As set out above (see further the paragraph above named Joint Security of CBC and Originators), this means, among other things, that in the case of foreclosure of the All-monies Security (or where applicable Fixed Security), the insurer and the relevant Originator or, as the case may be, CBC in principle need to act jointly and share the proceeds pro rata on the basis of their respective shares in the joint estate whereas no intercreditor arrangements will be in place between the insurer and the relevant Originator or, as the case may be, CBC. The requirement to act jointly may cause delays, deadlocks and other difficulties in any such foreclosure proceedings.

The intention of a Master Transfer Agreement could be that if and to the extent that the relevant Borrower purports to deduct lost Proceeds from the aggregate principal outstanding amount of the loan, he would do so vis-à-vis the insurer by way of set-off. After all, the insurer would at that time be in default to pay out the Proceeds under the relevant insurance policy and would for an amount equal to the lost Proceeds be creditor of part of the loan. However, the Global Issuer has been advised that under Dutch law it may not be possible for the Borrower to invoke set-off vis-à-vis the relevant insurer, as the CBC would be the beneficiary of, and/or the holder of a notified right of pledge on, the right to receive the Proceeds under the relevant insurance policy. Even if this barrier to set-off is removed (e.g. by the CBC waiving such beneficiary rights and/or granting its consent as pledgee), the Borrower may still have the alternative to instead of invoking set-off vis-à-vis the insurer, invoke defences vis-à-vis the CBC purporting to establish that an amount equal to the lost Proceeds is deducted from the Transferred Receivable he owes to the CBC. In that sense there may still be a certain Deduction Risk for a Transferred Receivable of this category for which a Master Transfer Agreement is in place (whilst such Receivables would already have reduced as a result of the monthly retransfers in connection with the relevant Master Transfer Agreement).

This can be catered for by a combination of a further master transfer agreement (a “Further Master Transfer Agreement”) and a Master Sub-Participation Agreement between the relevant

insurer, the CBC and the relevant Originator, which would leave the existing Master Transfer Agreement in place and which would in addition provide as follows in relation to the relevant MTA Receivable:

- in respect of savings premium already paid: the insurer sells and by way of silent assignment on-transfers to the CBC such MTA Receivable already transferred to it by the relevant Originator for a purchase price equal to the relevant Initial Settlement Amount. Such MTA Receivable will as a result be reunited with the relevant Transferred Receivable from which it was previously separated. In addition, the CBC will pursuant to the Master Sub-Participation Agreement grant a Participation to such insurer against payment by such insurer to the CBC of the relevant Initial Settlement Amount, which payment will where reasonably possible and without prejudice to the provisions of the Trust Deed be effected by way of set-off against the purchase price as abovementioned. Further details of the Master Sub-Participation Agreement are summarised in paragraph 4.2 (Master Sub-Participation Agreement) above; and
- in respect of future payments of savings premium: the CBC will agree to on a monthly basis retransfer part of the relevant MTA Receivables back to the relevant Originator by way of silent assignment, for on-transfer by that relevant Originator to the relevant insurer by way of notified assignment, for subsequent on-transfer to the CBC by way of silent assignment. Each abovementioned series of three subsequent assignments takes place on a monthly basis. The Guarantee Support Agreement provides that upon the occurrence of a Notification Event no further retransfers of MTA Receivables by the CBC to the relevant Originator for the purpose of on-transfer of such MTA Receivables by the relevant Originator pursuant to a Master Transfer Agreement will take place. In addition to such Further Master Transfer Agreement, the CBC will pursuant to the related Master Sub-Participation Agreement grant a Participation to such insurer against payment by such insurer to the CBC of the relevant Further Settlement Amount. Further details of the Master Sub-Participation Agreement are summarised in paragraph 4.2 (Master Sub-Participation Agreement) above.

No such combination of a Further Master Transfer Agreement and a Master Sub-Participation Agreement as abovementioned is in place as yet. For as long as this is the case, said Deduction Risk will be treated as follows in relation to MTA Receivables:

- as retransfers are carried out by the CBC in connection with the relevant Master Transfer Agreement, the principal amount of the relevant Transferred Receivable will gradually reduce. In addition, in relation to the abovementioned Deduction Risk pertaining to the so reduced Transferred Receivable, a deduction as described in paragraph 4.1 (*Deduction from Asset Cover Test and Amortisation Test*) above will take place for the purpose of the Asset Cover Test or the Amortisation Test; and
- each Originator undertakes in the Guarantee Support Agreement to use reasonable endeavours to procure that upon the occurrence of a Notification Event the relevant Master Transfer Agreement is terminated and replaced by a Master Sub-Participation Agreement in relation to the relevant Savings Receivables between the CBC and the relevant insurer.

5. Products with Mixed Insurance and Investment Element

Certain Eligible Receivables relate to a Mixed Insurance Policy between the relevant Borrower and an insurer pre-selected by the relevant Originator. The Mixed Insurance Policy provides for a risk element for which risk premium is paid, an investment element for which investment premium is paid and, if applicable, a savings and/or capital/investment element for which savings and/or capital/investment premium is paid. The Mixed Insurance Policies have a hybrid nature and allow the Borrowers to choose how the insurer should invest the investment premiums (from a list of approved investments, whether or not in baskets or combinations) and to request the insurer to switch between investments, in whole or in part. The Borrowers are allowed to choose whether they prefer a savings and/or capital/investment element and to switch between the savings and/or capital/investment element, in whole or in part. The relevant insurer keeps savings and/or capital/investment in its own name. The Global Issuer has been advised that for Eligible Receivables of this category, the Deduction Risk cannot be excluded, as there may be specific circumstances which justify an erroneous impression with the relevant Borrower that he was not entering into two separate relationships. For example, sales people or sales materials may have created an impression (or sales people may have allowed to subsist an apparent impression) with the Borrower that his payments of savings and/or capital/investment premium were 'as good as' repayments of the relevant loan. The Global Issuer has been advised that, although such specific circumstances may be absent, in general there may still be a certain Deduction Risk for Eligible Receivables of this category. As the Borrower has no option to choose an insurer, this could, possibly with other circumstances, have led the Borrower to believe that he was not entering into two separate relationships. Other relevant circumstances include whether:

- the mortgage loan agreement and the insurance agreement, respectively, or documents or general terms and conditions pertaining thereto, have been printed on the letterhead of, or otherwise contain eye catching references to, the insurer or the relevant Originator, respectively;
- the representative of the relevant Originator also represents the insurer (or *vice versa*), for example in taking care of the medical acceptance of the Borrower or otherwise in entering into, executing or carrying out the insurance or mortgage loan agreement;
- the insurer is, or was when entering into the agreements, an affiliate of the relevant Originator; and/or
- to the extent premium consists of a savings element, the interest base applicable to the savings is linked to the interest base applicable to the relevant Loan.

This Deduction Risk can be catered for as follows in relation to Hybrid Loans, subject to compliance with applicable regulatory and other restrictions:

- the transfer by the insurer of:
 - (i) both the relevant insurance agreements and the underlying savings, capital and investments to a bankruptcy-remote special purpose subsidiary, which would then reinsure the risk element of the insurance policy with the relevant insurer; or
 - (ii) only the underlying savings, capital and investments to a bankruptcy-remote special purpose subsidiary, which would then as surety (*borg*) accept liability for the insurer's obligations to pay out the Proceeds to the Borrower.

For as long as none of the solutions as described above are implemented to the satisfaction of the Rating Agencies, the Deduction Risk for this category of Eligible Receivables will in relation to the CBC be catered for through the Asset Cover Test and the Amortisation Test. The outcome of the Asset

Cover Test and the Amortisation Test will be negatively influenced each time when further capital/investment premiums are paid to the insurer by the relevant Borrower (save to the extent further Eligible Assets are transferred to the CBC under or pursuant to the Guarantee Support Agreement).

Investment products

Some of the Eligible Receivables relate to a mortgage loan agreement between the Borrower and the relevant Originator which is connected to an investment product, i.e. Investment Loans and Hybrid Loans. The Borrower of such an Eligible Receivable does not repay principal during the term of the relevant mortgage loan, but instead invests in the investment product (where applicable combined with a Mixed Insurance Policy). The intention is that at maturity, the principal proceeds of the investment can be used to repay the loan, in whole or in part. However, it is possible that the value of the investment will have reduced considerably and will be insufficient to repay the loan in full (such shortfall the “Investment Loss”). In addition to this general risk, there might in such circumstances be a risk that the Borrower successfully claims that he was not properly informed of the risks involved in making the investment and, for example, that therefore he may deduct an amount equal to the Investment Loss from the Transferred Receivable he owes to the CBC.

Some of the Eligible Receivables are linked to Mixed Insurance Policies with an investment element, i.e. Life Loans and Hybrid Loans. There may in certain circumstances be a risk that a Borrower successfully claims that he was not properly informed of the cost element applied by the relevant insurer to the investment premiums paid by such Borrower and/or that the insurer did not properly perform the related insurance agreement in applying the cost element and in either case, for example, that therefore he may terminate the Mixed Insurance Policy (which in turn could affect the collateral granted to the Originator (e.g. Beneficiary Rights and rights of pledge in respect of such Mixed Insurance Policy) and trigger early termination of the related Loan) and/or deduct from, or set-off against, the Transferred Receivable he owes to the CBC an amount equal to any (additional) amount owed to him under or in respect of such Mixed Insurance Policy as a result of or in connection with such claim.

In November 2006, the abovementioned topic of costs charged by the insurance industry to customers in respect of universal life insurance products (commonly referred to as *beleggingsverzekeringen*, *beleggingspolissen* or *beleggingshypotheeken*), such as Life Loans and Hybrid Loans, has received attention both in the Dutch public media and from the Dutch regulator for the insurance industry and consumer protection organisations. The Dutch insurance industry (including members of the ING Group, primarily Nationale-Nederlanden) sold these products to customers either directly or through intermediaries. In July 2007 a class action was lodged against Nationale-Nederlanden in relation to these products, being a Relevant Insurer. The subject of this procedure is not a specific claim for compensation, but a request to the judge to pronounce that Nationale-Nederlanden provided clients with incomplete or misleading information about costs and risks. Such legal proceedings can also be lodged against other members of the ING Group involved. Discussions are ongoing between the insurance industry and consumer organisations on a possible settlement. It is unclear whether, and if so when, settlements will be reached with consumers involved. Parties not willing to cooperate with, or disagreeing to, a settlement proposal, may commence or join court proceedings to pursue a different solution.

The Global 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. It is also relevant whether the relevant Borrower will be indemnified. However, there is no assurance whether there will be any such indemnification.

The risks described in this paragraph Investment products will neither through the Asset Cover Test nor through the Amortisation Test be catered for.

Under or pursuant to the Guarantee Support Agreement, the Initial Originator warrants and represents in relation to an Investment Loan where the related investment product is offered by the relevant Initial Originator itself (and not by a third party securities institution or bank) that such investment product has been offered in accordance with all applicable laws and legal requirements prevailing at the time of origination, including those on the information that is to be provided to prospective investors.

Security Rights by Borrowers

Some of the Eligible Receivables relate to a mortgage loan agreement between the Borrower and the relevant Originator which is connected to (i) an insurance policy with a risk, savings and/or investment element or (ii) a securities account, as the case may be. All rights of such a Borrower in respect of such an insurance policy or securities account, as the case may be, have been pledged to the relevant Originator. The above considerations on pledge and insolvency, made in the context of pledges to the CB Trustee (see Section B.2 *Asset Backed Guarantee - Pledges to CB Trustee*), apply *mutatis mutandis* to pledges and mortgages by the Borrowers.

In particular, the Global Issuer has been advised that under Dutch law it is possible that the receivables purported to be pledged by the Borrowers in respect of insurance policies, qualify as future receivables. As mentioned above, if an asset is a future asset at the moment a bankruptcy, suspension of payments or debt restructuring arrangement (*schuldsaneringsregeling*) takes effect in relation to the relevant pledgor, such assets are no longer capable of being pledged (unless the liquidator would agree). The Global Issuer has been advised that under Dutch law there is no general rule that is readily applicable to determine whether a claim arising from an insurance policy is an existing or a future claim. As a result, it is uncertain whether and to what extent the pledges of receivables under said insurance policies by the Borrowers are effective. The Global Issuer has been advised that, in respect of capital insurances (*sommenverzekeringen*) it is likely that the beneficiary's claims against the insurer corresponding with premiums which have already been paid to the insurer are existing claims, while claims relating to periods for which no premiums have yet been paid may very well be future claims. The Global Issuer has been advised that in respect of risk insurances (*schadeverzekeringen*) it is uncertain whether the beneficiary's claim can be characterised as an existing claim before the insured event occurs.

Beneficiary Rights under Insurance Policies

Some of the Eligible Receivables result from a mortgage loan agreement between the Borrower and the relevant Originator which is connected to an insurance policy with a risk, savings and/or investment element. In addition to being granted a pledge of rights under insurance policies, as abovementioned, either:

- the relevant Originator has been appointed as beneficiary under the relevant insurance policy; or
- if another person (the “Partner”) has been appointed as beneficiary, the Partner has irrevocably authorised the relevant insurer to pay out the insurance proceeds to the relevant Originator (a “Partner Instruction”).

1. Beneficiary Rights

To start with the first scenario, the Global Issuer has been advised that under Dutch law it is uncertain whether Beneficiary Rights will follow the relevant Eligible Receivable upon assignment thereof to the CBC (and subsequent pledge thereof to the CB Trustee). For this purpose the Beneficiary Rights will, insofar as they will not follow the relevant Eligible Receivable upon assignment, themselves be

assigned by the relevant Originator to the CBC by way of silent assignment and be pledged by the CBC to the CB Trustee by way of silent pledge. In the Guarantee Support Agreement the relevant Originator undertakes to, upon the occurrence of a Notification Event, notify the relevant insurer of the (purported) transfer and pledge (save that those insurers which would execute any Beneficiary Waiver Agreement prior to a Notification Event, will be notified through the Beneficiary Waiver Agreement and, thereafter, through each Deed of Assignment and Pledge). However, the Global Issuer has been advised that under Dutch law it is uncertain whether such assignment (and subsequent pledge) will be effective.

Insofar as the transfer of the Beneficiary Rights as abovementioned is not effective each Originator will:

- in each deed of assignment to be executed with the CBC pursuant to the Guarantee Support Agreement to the extent possible, under the condition precedent (*opschortende voorwaarde*) that a Notification Event occurs (unless by such time a Notification Event has already occurred) and under the condition subsequent (*ontbindende voorwaarde*) that the relevant Receivable is retransferred to the relevant Originator, (a) appoint the CBC as beneficiary in its place and (b) to the extent such appointment is ineffective, waive its Beneficiary Rights. The Global Issuer has been advised that it is uncertain whether such appointment and/or waiver is effective. If such conditional appointment is ineffective and such conditional waiver is effective, either the relevant Borrower, or any other person ranking behind the relevant Originator as beneficiary (a “Second Beneficiary”), will become the beneficiary under the relevant insurance policy. Under or pursuant to the Guarantee Support Agreement each Originator warrants and represents that if the relevant Receivable results from a Life Loan, Savings Loan or Hybrid Loan, all receivables under the relevant Mixed Insurance Policy have been validly pledged by the relevant Borrower to the relevant Originator, which pledge has been notified to the relevant insurer. As mentioned above, a pledge is in principle an accessory right, so that upon a transfer of the relevant Receivable to the CBC, the CBC will in principle become entitled to (a share in) the pledge, provided that following the waiver of the Beneficiary Rights by the relevant Originator, the Borrower will have become the beneficiary. If, however, following a waiver of Beneficiary Rights by the relevant Originator, a Second Beneficiary will have become the beneficiary, the pledge by the Borrower will not be effective; and
- in the Guarantee Support Agreement undertake to use its reasonable endeavours to procure that, upon the occurrence of a Notification Event, a beneficiary waiver agreement is, or is put, in effect between itself, the CBC, the CB Trustee and the relevant insurer (each a “Beneficiary Waiver Agreement”), in which it is, among other things, agreed that to the extent necessary:
 - (i) the insurer (a) accepts the (purported) (conditional) appointment of the CBC as beneficiary in the relevant Originator's place and (b) to the extent such appointment is ineffective, accepts the (conditional) waiver by such Originator of its Beneficiary Rights; and
 - (ii) the Originator and insurer will use their reasonable endeavours to obtain the co-operation from all relevant Borrowers and, where applicable, Second Beneficiaries to change the Beneficiary Rights in favour of the CBC.

The Originator may not be able to enter into a Beneficiary Waiver Agreement without the co-operation of the liquidator, if and to the extent such Notification Event has occurred as a result of any such Originator having become subject to any Dutch Insolvency Proceedings.

2. Partner Instruction

Turning to the second scenario, the Global Issuer has been advised that it is uncertain whether the Partner Instruction entails that the insurer should pay the insurance proceeds to the relevant Originator or, following assignment of the relevant Eligible Receivable, to the CBC, and that this depends on the interpretation of the Partner Instruction. Insofar as the Partner Instructions do not entail that the relevant insurer should, following assignment of the relevant Eligible Receivable, pay the insurance proceeds to the CBC, the CBC, the CB Trustee and the relevant insurer will furthermore agree in each Beneficiary Waiver Agreement that the Originator and the insurer will use their reasonable endeavours to obtain the co-operation from all relevant Borrowers and Partners to change the Partner Instructions in favour of the CBC.

If:

- in the case of the first scenario (a) the transfer of the Beneficiary Rights is not effective, (b) the (conditional) appointment of the CBC as beneficiary in the place of the relevant Originator is not effective and (c) the (conditional) waiver of Beneficiary Rights by the relevant Originator is ineffective or, if it is effective, results in a Second Beneficiary having become the beneficiary; or
- in the case of the second scenario, the Partner Instructions do not entail that insurance proceeds should be paid to the CBC,

and, in either scenario, (i) no Beneficiary Waiver Agreements will be entered into with each relevant insurer and/or (ii) the relevant Borrowers, Second Beneficiaries and/or Partners do not co-operate as described above, then the proceeds under the relevant insurance policies could, as the case may be, either be paid to:

- the relevant Originator, in which case such Originator will be obliged to on-pay the proceeds to the CBC or the CB Trustee, as the case may be. If an Originator breaches such payment obligation, for example because the Originator is subject to an Insolvency Proceeding, this may result in the proceeds not being applied in reduction of the relevant Eligible Receivable and in a Deduction Risk; or
- the Second Beneficiary or the Partner, which may result in the proceeds not being applied in reduction of the relevant Eligible Receivable.

Interest Reset Rights

The Global Issuer has been advised that it is uncertain whether any interest reset right will transfer to the CBC with the assignment of the relevant Receivable. If such interest reset right remains with the relevant Originator despite the assignment, this means that in case the relevant Originator becomes subject to a Dutch Insolvency Proceeding, the co-operation of the liquidator would be required to reset the interest rates (unless such right is transferred to the CBC prior to the Dutch Insolvency Proceeding taking effect, but this may require the co-operation of the Borrower).

Construction Deposits

Certain Eligible Receivables result from a mortgage loan agreement under which the relevant Borrower has requested part of the loan to be withheld, in anticipation of construction or improvement costs to be incurred by him at a later stage in connection with the Property (a “Construction Deposit”; *bouwdepot*). The intention is that when the applicable conditions are met, the Construction Deposit is applied towards the relevant construction or improvement costs of the Borrower and/or in repayment of the relevant part of the

loan. In the Guarantee Support Agreement it is agreed that in cases as abovementioned, the full Eligible Receivable will be transferred to the CBC. There is a risk that the relevant Originator becomes subject to an Insolvency Proceeding and that the relevant Originator cannot pay out the Construction Deposits. If this happens a Borrower may be allowed to set off his receivable in respect of the Construction Deposit against the related Transferred Receivable. To address this risk, it will be agreed in the Asset Monitor Agreement that an amount equal to the Construction Deposit will be deducted from the Current Balance of the Transferred Receivables for the purpose of the Asset Cover Test and the Amortisation Test.

Mortgage on Long Lease

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

In cases where a mortgage is vested on long lease, a paragraph is added to the relevant mortgage deed, providing that the relevant loan becomes immediately due and payable in the event the long lease is terminated or the leaseholder has not paid the remuneration or seriously breaches other obligations under the long lease. When underwriting a loan to be secured by a mortgage on a long lease, the relevant Originator has taken into consideration the conditions of the long lease, including the term thereof in comparison to the proposed term of the loan.

Non-Dutch Assets

Under the Guarantee Support Agreement the Originators are permitted to transfer to the CBC Non-Dutch Assets. However, Non-Dutch Assets may only be transferred if Rating Agency Confirmation is obtained and the CBC and the CB Trustee, respectively, are satisfied that they will receive proprietary rights or security rights, respectively, of equivalent status and ranking for such Non-Dutch Assets as they would have received if Eligible Receivables or Eligible Collateral had been transferred and pledged, respectively.

Limited description of the Transferred Assets

Covered Bondholders will not receive detailed statistics or information in relation to the Transferred Assets, because it is expected that the constitution of the Transferred Assets may constantly change due to, for instance:

- the Originators transferring additional and/or new types of Eligible Assets to the CBC;
- New Originators acceding to the CB Transaction and transferring Eligible Assets to the CBC; and
- Originators re-acquiring Transferred Assets pursuant to their obligations, or right of pre-emption, under the Guarantee Support Agreement.

However, each Eligible Receivable and Substitution Asset will be required to meet the applicable eligibility criteria and the Representations and Warranties set out in the Guarantee Support Agreement (although such eligibility criteria and Representations and Warranties may change in certain circumstances including any amendments necessary if Non-Dutch Assets are transferred to the CBC).

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 borrower for income tax purposes. The period for allowed deductibility is restricted to a term of 30 years and it only applies to mortgage loans secured by owner occupied properties. Starting in 2005, it is also no longer allowed, after a refinancing, to deduct interest payable 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.

Defaulted Receivables

Upon service of a Notice to Pay on the CBC (provided (a) a Global Issuer Event of Default has occurred and an Issuer Acceleration Notice has been served and (b) no CBC Acceleration Notice has been served), the CBC is expected to make payments under the CB Guarantee. The ability of the CBC to meet its obligations under the CB Guarantee will depend solely on the proceeds of the Transferred Assets. In this respect it should be noted that Borrowers may default on their obligations due under the Transferred Receivables. Defaults may occur for a variety of reasons. The Transferred Receivables are affected by credit, liquidity and interest rate risks. Various factors influence mortgage delinquency rates, prepayment rates, repossession frequency and the ultimate payment of interest and principal, such as changes in the national or international economic climate, regional economic or housing conditions, changes in tax laws, interest rates, inflation, the availability of financing, yields on alternative investments, political developments and government policies. Other factors in Borrowers' individual, personal or financial circumstances may affect the ability of Borrowers to make the required payments under the Transferred Receivables. Loss of earnings, illness, divorce and other similar factors may lead to an increase in delinquencies by and bankruptcies (*faillissementen*) of Borrowers or the Borrowers becoming subject to the debt rescheduling arrangements (*schuldsaneringsregelingen*), and could ultimately have an adverse impact on the ability of Borrowers to make the required payments under the Transferred Receivables. In addition, the ability of a Borrower to sell a Property at a price sufficient to repay the amounts outstanding under that Transferred Receivable will depend upon a number of factors, including the availability of buyers for that Property, the value of that Property and property values in general at the time. As set forth herein, however, Defaulted Receivables will be excluded from the calculation of the Asset Cover Test and the Amortisation Test.

Prepayment

The rate of prepayment of Loans granted pursuant to the Loan Agreements is influenced by a wide variety of economic, social and other factors, including prevailing market interest rates, changes in tax laws (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 Loans granted pursuant to the Loan Agreements may experience, and variation in the rate of prepayments of principal on the Loans granted pursuant to the Loan Agreements may affect the ability of the CBC to realise sufficient funds to make payments under the CB Guarantee.

Changes to the Lending Criteria of the Originators

Each of the Receivables originated by each Originator will have been originated in accordance with its Lending Criteria at the time of origination. It is expected that each Originator's Lending Criteria will generally consider type of Property, term of loan, age of applicant, the loan-to-value ratio, mortgage indemnity guarantee policies, high loan-to-value fees, status of applicants and credit history. In the event of a transfer of Receivables by an Originator to the CBC, each Originator will warrant only that such Receivables were

originated in accordance with such Originator's Lending Criteria applicable at the time of origination. Each Originator retains the right to revise its Lending Criteria from time to time, provided that it acts as a Reasonable Prudent Lender. If the Lending Criteria change in a manner that affects the creditworthiness of the Receivables, that may lead to increased defaults by Borrowers and may affect the realisable value of the Transferred Receivables, or part thereof, and the ability of the CBC to make payments under the CB Guarantee. As set forth herein, however, Defaulted Receivables will be excluded from the calculation of the Asset Cover Test and the Amortisation Test.

However, some of the Receivables may have been acquired by an Originator in the course of its business (i.e. Receivables that were originated by an originator (i) which has Merged into the relevant Originator or (ii) whose Relevant Assets and Liabilities have been acquired by the relevant Originator pursuant to a Demerger). Such Receivables may not have been originated in accordance with the existing Lending Criteria of any of the Originators, but will as at the relevant Transfer Date qualify as an Eligible Receivable as long as such Receivables meet the Eligibility Criteria.

New Originators

The Global Issuer may propose that any subsidiary (*dochtermaatschappij*) of ING Group N.V. (ING Group N.V. together with all its subsidiaries from time to time, the “ING Group”) will become a New Originator and be allowed to transfer Eligible Assets to the CBC. However, this would only be permitted if the conditions precedent relating to New Originators acceding to the Programme are met in accordance with the CB Programme Agreement, including Rating Agency Confirmation.

Any Receivables originated by a New Originator will have been originated in accordance with the Lending Criteria of the New Originator, which may differ from the Lending Criteria of Receivables originated by the Initial Originator. If the Lending Criteria differ in a way that affects the creditworthiness of the Receivables, that may lead to increased defaults by Borrowers and may affect the realisable value of the Transferred Receivables or any part thereof or the ability of the CBC to make payments under the CB Guarantee. As set forth herein, however, Defaulted Receivables will be excluded from the calculation of the Asset Cover Test and the Amortisation Test.

Limited recourse to the Originators

The CBC will not, and the CB Trustee will not, undertake any investigations, searches or other actions on any Receivable and will rely instead on the Representations and Warranties given in the Guarantee Support Agreement by the relevant Originators in respect of the Transferred Receivables.

If any Transferred Receivable does not materially comply with any of the Eligibility Criteria as at the Transfer Date of that Transferred Receivable or is or becomes a Defaulted Receivable, then such Transferred Receivables will be excluded from the Asset Cover Test and the Amortisation Test.

There is no further recourse to the relevant Originator in respect of a breach of a Representation or Warranty. There is no other recourse to the assets of the Originators if a Global Issuer Event of Default occurs or a CBC Event of Default occurs (save as is generally the case insofar as the assets of the Global Issuer for its obligations under the Covered Bonds are concerned).

NHG Guarantees and Municipality Guarantee

Certain Eligible Receivables have the benefit of an NHG Guarantee or a Municipality Guarantee. Pursuant to the terms and conditions of the NHG Guarantee and the Municipality Guarantee, the WEW or the relevant municipality, respectively, 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 or the Municipality Guarantee, as the case may be. Under or pursuant to the

Guarantee Support Agreement, each Originator warrants and represents in relation to any of its Eligible Receivables which is secured by an NHG Guarantee or a Municipality Guarantee that:

- (i) the Municipality or NHG Guarantee, as the case may be, is granted for the full amount of the relevant Receivable outstanding at origination, and constitutes legal, valid and binding obligations of the WEW or the relevant municipality (*gemeente*), enforceable in accordance with such NHG Guarantee's terms or Municipality Guarantee's terms;
- (ii) (a) in the case of an NHG Guarantee, all terms and conditions (*voorwaarden en normen*) applicable to the "Nationale Hypotheek Garantie" at the time of origination of the related Loans were complied with or (b) in the case of a Municipality Guarantee, all conditions (*voorwaarden*) set forth in any laws, rules or regulations applicable to the Municipality Guarantee have been fulfilled; and
- (iii) the relevant Originator is not aware of any reason why any claim under any NHG Guarantee or Municipality Guarantee, if applicable, in respect of the relevant Receivable should not be met in full and in a timely manner.

Furthermore, if an Eligible Receivable transferred by an Originator to the CBC no longer has the benefit of a Municipality Guarantee or an NHG Guarantee as a result of any action taken or omitted to be taken by the relevant Originator, the CB Administrator or the Servicer, and, as a consequence thereof, such Transferred Receivable would not qualify as an Eligible Receivable if it were tested against the Eligibility Criteria at that time, then the relevant Originator is obliged under the Guarantee Support Agreement to request a retransfer of the relevant Transferred Receivable in accordance with the Guarantee Support Agreement.

The terms and conditions of a Municipality Guarantee and 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 an Eligible Receivable can be different. This may result in the lender not being able to fully recover any loss incurred with the WEW or the relevant municipality under the Municipality or NHG Guarantee and consequently, in the CBC having insufficient funds. See *Section 3.5 Municipality / NHG Guarantee Programme* for further information on the WEW, the NHG Guarantee and the Municipality Guarantee.

4.4 ASSET MONITORING

Maintenance of Transferred Assets

If the collateral value of the Transferred Assets has not been maintained in accordance with the terms of the Asset Cover Test or the Amortisation Test, then that may affect the realisable value of the Transferred Assets or any part thereof (both before and after the occurrence of a CBC Event of Default) and/or the ability of the CBC to make payments under the CB Guarantee.

Prior to the service of a Notice to Pay, the Asset Monitor will test the arithmetic of the calculations performed by the CB Administrator in respect of the Asset Cover Test once each year on the Calculation Date immediately preceding each anniversary of the CB Programme Date and more frequently in certain circumstances. Following the service of a Notice to Pay, the Asset Monitor will be required to test the calculations performed by the CB Administrator in respect of the Amortisation Test on each Calculation Date.

The CB Trustee shall not be responsible for monitoring compliance with, nor the monitoring of, the Asset Cover Test, any Pre-Maturity Test (to be implemented if any Tranche of HB Covered Bonds is issued),

the Amortisation Test or any Portfolio Test (if implemented) or any other test, or supervising the performance by any other party of its obligations under any CB Transaction Document.

Sale or Refinancing of Selected Receivables

If the Pre-Maturity Test (to be implemented if any Tranche of HB Covered Bonds is issued) is breached or if a Global Issuer Event of Default has occurred and results in, among other things, a Notice to Pay being served on the CBC, the CBC may be obliged to sell or refinance Selected Receivables (selected on a random basis) in order to make funds available to the CBC to make payments to the CBC's creditors including to make payments under the CB Guarantee.

There is no guarantee that a buyer will be found to acquire Selected Receivables at the times required and there can be no guarantee or assurance as to the price which may be able to be obtained, which may affect payments under the CB Guarantee.

No Warranties

Following a Breach of the Pre-Maturity Test (to be implemented if any Tranche of HB Covered Bonds is issued) and/or the service of an Issuer Acceleration Notice and a Notice to Pay being served on the CBC, but prior to the service of a CBC Acceleration Notice, the CBC may be obliged to sell Selected Receivables to third party purchasers, subject to a right of pre-emption enjoyed by the Originators pursuant to the terms of the Guarantee Support Agreement. In respect of any sale or refinancing of Selected Receivables to third parties, however, the CBC will not be permitted to give warranties or indemnities in respect of those Selected Receivables (unless expressly permitted to do so by the CB Trustee). There is no assurance that the Originators would give any warranties or representations in respect of the Selected Receivables. Any Representations or Warranties previously given by the Originators in respect of the Transferred Receivables may not have value for a third party purchaser if the Originators are then subject to an Insolvency Proceeding. Accordingly, there is a risk that the realisable value of the Selected Receivables could be adversely affected by the lack of representations and warranties which in turn could adversely affect the ability of the CBC to meet its obligations under the CB Guarantee.

4.5 SERVICING AND CUSTODY

Each Servicer will be permitted to sub-contract its servicing role to a third party servicer subject to any applicable conditions in the relevant Servicing Agreement.

By acquiring the Eligible Receivables, the CBC is deemed to provide consumer credit, which is a licensable activity under the Dutch Financial Market Supervision Act (*Wet op het financieel toezicht*, the “Wft”). The CBC can rely on an exemption from this licence requirement, if the CBC outsources the servicing of the Eligible Receivables and the administration thereof to an entity which is adequately licensed under the Wft to act as consumer credit provider or intermediary and which complies with certain information duties towards the Borrowers. Pursuant to the Initial Servicing Agreement, the CBC outsources the servicing and administration of the Eligible Receivables to the Initial Servicer. In the Initial Servicing Agreement, the Initial Servicer represents and warrants that it is, and covenants that it shall remain, adequately licensed under the Wft to act as consumer credit provider or intermediary and undertakes to comply with the information duties towards the Borrowers under or pursuant to the Wft. Furthermore, the Initial Servicer has covenanted that it shall only engage any sub-contractor with due observance of the applicable rules under the Wft. If the Initial Servicing Agreement is terminated, the CBC will need to appoint a New Servicer which must be adequately licensed in order for the CBC to keep the benefit of exemptive relief. Alternatively, the CBC needs to obtain a licence itself. The Initial Servicing Agreement stipulates that the Initial Servicer may only terminate the Initial

Servicing Agreement if a New Servicer is appointed prior to such termination which holds the requisite licences, including being duly licensed under the Wft to act as consumer credit provider or intermediary.

4.6 SWAPS

Hedging

Variances are possible in the rates of interest payable on the Transferred Receivables (which may, for instance, include variable rates of interest, discounted rates of interest, fixed rates of interest or rates of interest which track a base rate) and the rate of interest payable on the outstanding Covered Bonds. The CBC will provide a hedge against these variances by entering into the Total Return Swap Agreement or, where applicable, Interest Rate Swap Agreements and Structured Swap Agreements. If Portfolio Tests are implemented, then the Total Return Swap Agreement will be terminated. If an alternative hedging strategy is put in place, then the Total Return Swap Agreement will be terminated and the CBC will be required to enter into derivatives transactions to comply with such alternative hedging strategy. If at any time:

- (A) (i) the Bank does not have the required ratings to qualify as an Eligible Swap Provider for Interest Rate Swaps or (ii) a Notification Event occurs or a Notice to Pay or CBC Acceleration Notice is served, in relation to each relevant Series of Covered Bonds, then the Bank, in accordance with the Swap Undertaking Letter, will be required to enter into Interest Rate Swap Agreements with the CBC or procure the entering into by a third party Eligible Swap Provider of (where applicable, replacement) Interest Rate Swap Agreements with the CBC, and with respect to existing or future Interest Rate Swap Agreements (to be) entered into by the Bank with the CBC, the Bank will be required to comply with any appropriate collateralisation requirements; and/or
- (B) (i) the Bank does not have the required ratings to qualify as an Eligible Swap Provider for Structured Swaps or (ii) a Notification Event occurs or a Notice to Pay or CBC Acceleration Notice is served, in relation to each relevant Series of Covered Bonds, then the Bank, in accordance with the Swap Undertaking Letter, will be required to enter into Structured Swap Agreements with the CBC or procure the entering into by a third party Eligible Swap Provider of (where applicable, replacement) Structured Swap Agreements with the CBC, and with respect to existing or future Structured Swap Agreements (to be) entered into by the Bank with the CBC, the Bank will be required to comply with any appropriate collateralisation requirements,

in each case so as to enable the CBC to hedge its exposure arising from any Series (x) denominated in a currency other than euro, (y) of Index or Share Linked Covered Bonds or (z) denominated in euro but bearing non-EURIBOR interest.

Default under Swap Agreements

If the CBC (or the Global Issuer on its behalf) fails to make timely payments of amounts due under any Swap Agreement, then it will have defaulted under that swap. A Swap Provider is only obliged to make payments to the CBC as long as the CBC complies with its payment obligations under the relevant Swap Agreement. If the Swap Provider is not obliged to make payments or if it defaults in its obligations to make payments of amounts in the relevant currency equal to the full amount to be paid to the CBC on the payment date under the Swap Agreements, the CBC will be exposed to changes in the relevant currency exchange rates to euro and to any changes in the relevant rates of interest. As a result, unless a replacement swap is entered into, the CBC may have insufficient funds to make payments under the CB Guarantee.

Termination payments under Swap Agreements

If a Swap terminates, then the CBC may be obliged to make a termination payment to the relevant Swap Provider. There can be no assurance that the CBC will have sufficient funds available to make such a termination payment, nor can there be any assurance that the CBC will be able to enter into a replacement swap agreement, or if one is entered into, that the credit rating of the replacement swap counterparty will be sufficiently high to prevent a downgrade of the then current ratings of the Covered Bonds by the Rating Agencies.

If the CBC is obliged to pay a termination payment under any Swap Agreement, such termination payment will rank ahead of amounts due on the Covered Bonds except where default by, or downgrade of, the relevant Swap Provider has caused the relevant Swap to terminate. The obligation to make a termination payment other than arising from default by, or downgrading of, the Swap Provider, may adversely affect the ability of the CBC to meet its obligations under the CB Guarantee.

Differences in timing of obligations of the CBC and Swap Providers

With respect to the Interest Rate Swaps and the Structured Swaps, the CBC (or the Global Issuer on its behalf) may be obliged to make monthly payments to the relevant Swap Provider, whereas the relevant Swap Provider may not be obliged to make corresponding swap payments for up to twelve months. If the relevant Swap Provider does not meet its payment obligations to the CBC, the CBC may have a larger shortfall than it would have had if the relevant Swap Provider's payment obligations had coincided with CBC's payment obligations under the relevant Swap. Hence, the difference in timing between the obligations of the CBC and the relevant Swap Provider may affect the CBC's ability to make payments under the CB Guarantee.

4.7 CASHFLOWS

For as long as no Notification Event has occurred and no Notice to Pay or CBC Acceleration Notice has been served on the CBC, no cashflows will run through the CBC. In those circumstances the Originators will be entitled to receive and retain the proceeds from the Transferred Assets for their own benefit. In addition, the Global Issuer will, as consideration for the CBC assuming the CB Guarantee, pay all costs and expenses of the CBC and make and receive all payments to be made or received by the CBC under any swap agreement. Upon the earlier to occur of a Notification Event and service of a Notice to Pay or CBC Acceleration Notice on the CBC, cashflows will run through the CBC and will be applied in accordance with the relevant Priority of Payments (except that any collateral to be provided by a Swap Provider following its downgrade will be delivered to the CBC irrespective of whether any Notification Event has occurred or any Notice to Pay or CBC Acceleration Notice has been served at such time).

4.8 GENERAL

Obligations under the Covered Bonds and CB Guarantee

The Covered Bonds and the CB Guarantee will not represent an obligation or be the responsibility of the Arrangers, the Dealers, the Originators, the CB Trustee or any other party to the Programme, their officers, members, directors, employees, security holders or incorporators, other than the Global Issuer and the CBC, respectively. The Global Issuer and the CBC will be liable solely in their corporate capacity for their obligations in respect of the Covered Bonds and the CB Guarantee, respectively, and such obligations will not be the obligations of their respective officers, members, directors, employees, security holders or incorporators.

Implementation of the Basel Capital Accord (Basel II)

The Basel Committee on Banking Supervision published on 26 June 2004 the text of the new capital accord under the title “Basel II: International Convergence of Capital Measurement and Capital Standards: a Revised Framework (the “Framework”). The Framework, which places enhanced emphasis on market discipline and sensitivity to risk, serves as a basis for national and supra-national rulemaking and approval processes for banking organisations. The Framework has been put into effect for credit institutions in Europe via the recasting of a number of prior directives in a consolidating directive referred to as the Capital Requirements Directive. The Framework, as published, will affect risk-weighting of the Covered Bonds for investors subject to the new framework following its implementation (whether via the Capital Requirements Directive or otherwise by non-EU regulators if not amended from its current form when or if implemented by non-EU regulators). Consequently, Covered Bondholders should consult their own advisers as to the consequences to and effect on them of the application of the Framework, as implemented by their own regulator, to their holding of any Series of Covered Bonds. The Global Issuer and the CBC are not responsible for informing Covered Bondholders of the effects on the changes to risk-weighting which will result for investors from the adoption by their own regulator of the Framework (whether or not implemented by them in its current form or otherwise).

Forecasts and Estimates

Forecasts and estimates in this Base 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.

Regulatory changes

The Wft has taken effect as of 1 January 2007. It has replaced various separate acts, including the Act on the Supervision of Credit Institutions 1992 (*Wet toezicht kredietwezen 1992*), Securities Market Supervision Act (*Wet toezicht effectenverkeer 1995*), the Act on the Supervision of Insurance Companies 1993 (*Wet toezicht verzekeringsbedrijf 1993*) and the Financial Services Act (*Wet Financiële Dienstverlening*). Like the Financial Services Act, the Wft imposes among other things a license requirement on entities that extend (consumer) mortgage credit. This applies to the Originators, who are under the Guarantee Support Agreement required as of each Transfer Date to warrant and represent that they have all required licenses. The CBC is exempt from this requirement for so long as it fulfils certain criteria (including, that the Transferred Receivables be serviced by a regulated entity).

Different Capacities

The Bank acts in different capacities under the CB Transaction Documents, including as Global Issuer, Originator, Servicer, CB Administrator and Total Return Swap Provider. The Global Issuer has been advised that, as a matter of Dutch law, a party is not capable of contracting with itself. However, this general principle does not apply where such party (like the Bank) is acting with other parties (such as the CB Trustee and the CBC).

CHAPTER 1A:
ADDITIONAL COVERED BOND INFORMATION

The wording below replaces in its entirety the corresponding wording included in the section entitled “Chapter 1A – Additional Covered Bond Information” in the Base Prospectus.

CHAPTER 1A

ADDITIONAL COVERED BOND INFORMATION

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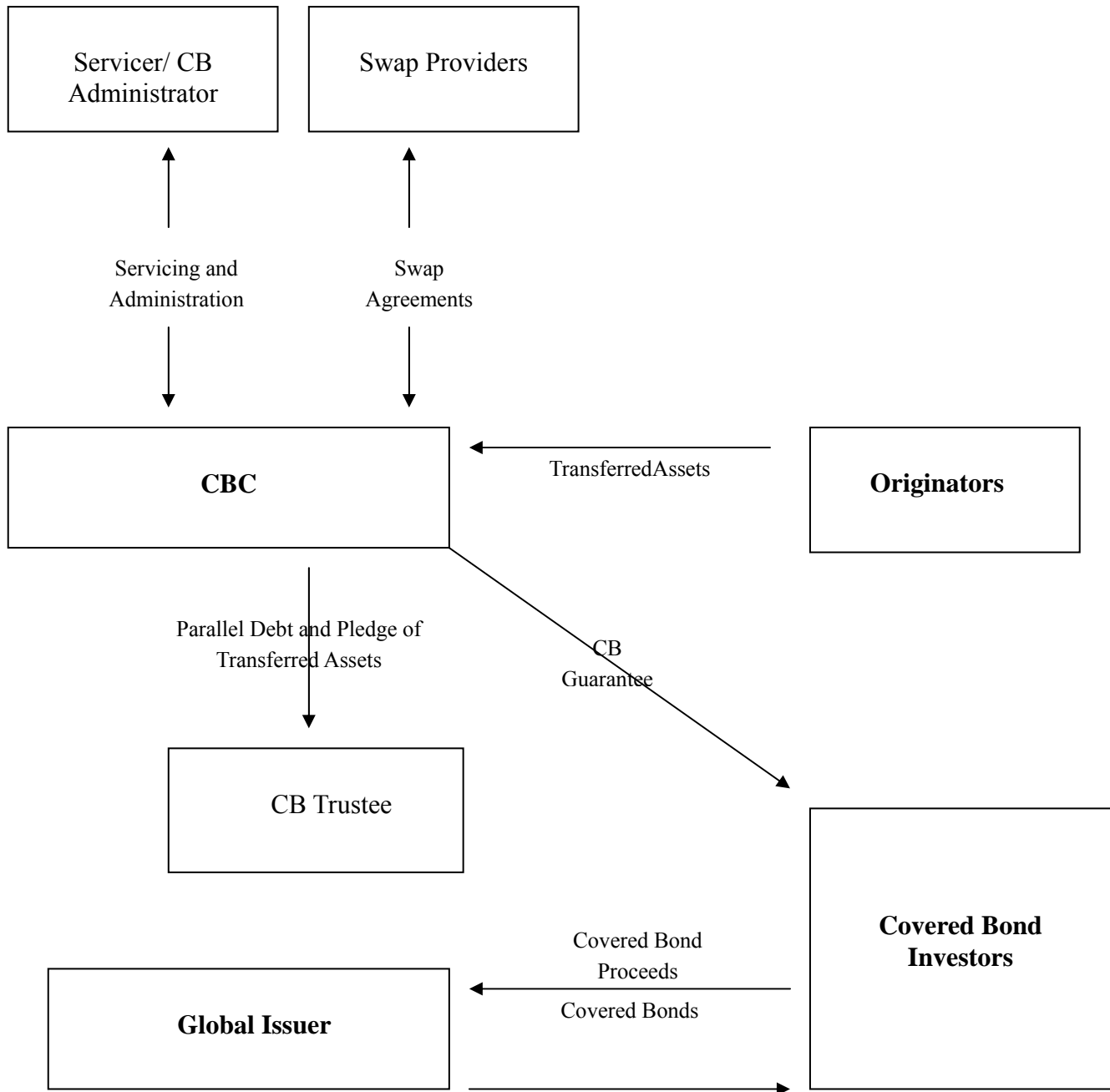
A. SUMMARY OF THE PROGRAMME AND OVERVIEW

Please refer to Section “Summary of the Programme” of Chapter 1 and Section “Overview” Part 1, 2 and 4 of Chapter 1 of this Base Prospectus.

B. RISK FACTORS RELATING TO COVERED BONDS

Please refer to Sections “Risk Factors – Part 1: General”, “Risk Factors – Part 2: Risk Factors Relating to Notes” and “Risk Factors – Part 4: Risk Factors Relating to Covered Bonds” of Chapter 1 of this Base Prospectus.

**C. STRUCTURE DIAGRAM; PRINCIPAL INITIAL TRANSACTION
PARTIES STRUCTURE DIAGRAM**



In addition to the CB Transaction Parties identified in Part 2 of Chapter 1 of this Base Prospectus, potential investors in Covered Bonds issued by the Global Issuer should consider the following list of (other) CB Transaction Parties involved in relation to Covered Bonds issuances.

The following list does not purport to be complete and is qualified in all respects by the remainder of this Base Prospectus.

Account Bank:	ING Bank N.V., a public company with limited liability (<i>naamloze vennootschap</i>) incorporated under the laws of The Netherlands, having its corporate seat (<i>statutaire zetel</i>) at Amsterdam, The Netherlands and its registered office at Amstelveenseweg 500, 1081 KL Amsterdam, The Netherlands and registered with the Trade Register of the Chamber of Commerce in Amsterdam, The Netherlands under number 33031431 (“ING Bank” or “Bank”).
Asset Monitor:	Ernst & Young Accountants
CB Administrator:	The Bank.
CB Dutch Paying Agent:	The Bank.
CB Exchange Agent:	The Bank of New York, in alliance with International Securities Services Netherlands (“ISSNL”).
CB Listing Agent:	The Bank.
CB Principal Paying Agent:	The Bank of New York, in alliance with ISSNL.
CB Registrar:	The Bank of New York, in alliance with ISSNL.
CB Arranger:	Barclays Bank PLC having its office at 5 The North Colonnade, Canary Wharf, London E14 4BB, United Kingdom, operating through its investment banking division, Barclays Capital (“Barclays Capital”).
CB Co-Arranger:	ING Wholesale Banking (together with the CB Arranger, the “CB Arrangers”).
CB Transfer Agent:	The Bank of New York, in alliance with ISSNL.
CB Trustee:	Stichting Trustee ING Covered Bond Company.
CB Trustee's Director:	Orangefield Trust (Netherlands) B.V.
CB US Paying Agent:	The Bank of New York, in alliance with ISSNL.
CBC:	ING Covered Bond Company B.V.
CBC Managing Director:	ATC Management B.V.
Dealers:	Any dealer appointed under the Programme from time to time by the Global Issuer.

Global Issuer:	The Bank.
Guarantor:	CBC.
Holding:	Stichting Holding ING Covered Bond Company.
Initial Originator:	The Bank.
Initial Servicer:	The Bank.
Total Return Swap Provider:	The Bank.

D. DOCUMENTS INCORPORATED BY REFERENCE; DEFINITIONS AND INTERPRETATION

D.1 DOCUMENTS INCORPORATED BY REFERENCE

Please refer to the Section "Documents Incorporated by Reference" of Chapter 1 of this Base Prospectus.

D.2 DEFINITIONS & INTERPRETATION

Capitalised terms which are used but not defined in any section of Chapter 1 in the context of Covered Bonds or this Chapter 1A, will have the meaning attributed thereto in any (other) section of this Chapter 1A.

An alphabetical index of certain definitions used in connection with the Covered Bonds issues under the Programme is contained at the end of this Chapter 1A, listing the page or pages where such definitions can be found. Any reference to any CB Transaction Document or any other agreement or document in this Base Prospectus shall be construed as a reference to such CB Transaction Document or, as the case may be, such other agreement or document as the same may have been, or may from time to time be, amended, varied, novated, supplemented or replaced.

A reference to any party in this Base Prospectus shall be construed so as to include its successors and transferees and any subsequent successors and transferees in accordance with their respective interests.

1. COVERED BONDS

1.1 FORM OF COVERED BONDS

Please refer to the Section "Form of the Notes" of Chapter 1 of this Base Prospectus.

1.2 FORM OF FINAL TERMS FOR COVERED BONDS

Please refer to Part 2: "Form of Final Terms for Covered Bonds" of Chapter 22 of this Base Prospectus.

1.3 TERMS AND CONDITIONS OF THE COVERED BONDS

Please refer to Part 1: "Terms and Conditions of the Covered Bonds" of Chapter 22 of this Base Prospectus.

1.4 TAXATION

Please refer to Section "Taxation - The Global Issuer, the Australian Issuer, the U.S. Issuer and the Americas Issuer" of Chapter 1 of this Base Prospectus.

1.5 SUBSCRIPTION AND SALE

Please refer to Section "Subscription and Sale" of Chapter 1 of this Base Prospectus.

1.6 ING BANK N.V.

Please refer to Section "ING Bank N.V." of Chapter 1 of this Base Prospectus.

1.7 USE OF PROCEEDS

Please refer to Section "Use of Proceeds" of Chapter 1 of this Base Prospectus.

1.8 DTC INFORMATION

Please refer to Section "DTC Information - Registered Notes issued by the Global Issuer, the U.S. Issuer and the Americas Issuer and Registered Global Bonds Issued by the Global Issuer" of Chapter 1 of this Base Prospectus.

1.9 NOMINAL AMOUNT OF THE PROGRAMME

Please refer to Section "Nominal Amount of the Programme" of Chapter 1 of this Base Prospectus.

1.10 CB TRUSTEE

The trustee under the CB Trust Deed is Stichting Trustee ING Covered Bond Company, a foundation (*stichting*) established under the laws of The Netherlands on 28 August 2007. It has its registered office at Teleportboulevard 140, 1043 EJ Amsterdam, The Netherlands and is registered with the Commercial Register of the Chamber of Commerce of Amsterdam, The Netherlands under number 34281572.

The objects of the CB Trustee are (a) to act as agent and/or trustee in favour of holders of Covered Bonds to be issued by ING Bank N.V. and the other Secured Creditors; (b) to obtain security rights as agent and/or trustee and/or for itself; (c) to perform (legal) acts including accepting the parallel debt of the CBC in order to hold the security rights referred to under (b); (d) to manage, hold, administer and enforce the security rights mentioned under (b); (e) to borrow or raise money and (f) to perform any and all acts which are related, incidental or which may be conducive to the above.

The sole director of the CB Trustee is Orangefield Trust (Netherlands) B.V. having its registered office at Teleportboulevard 140, 1043 EJ Amsterdam, The Netherlands. The sole managing director of Orangefield Trust (Netherlands) B.V. is Mr. J.J. Bruins.

2. ASSET-BACKED GUARANTEE

2.1 CB GUARANTEE

Pursuant to the CB Guarantee, if (i) a Global Issuer Event of Default occurs and an Issuer Acceleration Notice and a Notice to Pay are served or (ii) a CBC Event of Default occurs and a CBC Acceleration Notice is served, the CBC will be liable to pay Guaranteed Amounts when the same becomes Due for Payment.

Following (i) the occurrence of a Global Issuer Event of Default and service of an Issuer Acceleration Notice on the Global Issuer, (ii) a Breach of the Asset Cover Test or (iii) a Breach of any Pre-Maturity Test (to be implemented if any Tranche of HB Covered Bonds is issued) or (iv) a Breach of any Portfolio Test (if implemented), the CB Trustee shall serve a Notice to Pay on the CBC. However, service of a Notice to Pay under (ii) or (iii) above will not require the CBC to pay under the CB Guarantee, until an Issuer Acceleration Notice or a CBC Acceleration Notice has been served.

All payments of Guaranteed Amounts by or on behalf of the CBC will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or other governmental charges of whatever nature, unless the withholding or deduction of such taxes, assessments or other governmental charges are required by law or regulation or administrative practice of any jurisdiction. If any such withholding or deduction is required, the CBC will pay the Guaranteed Amounts net of such withholding or deduction and shall account to the appropriate tax authority for the amount required to be withheld or deducted. The CBC will not be obliged to pay any amount to the CB Trustee or any holder of Covered Bonds in respect of the amount of such withholding or deduction.

If a Covered Bond forms part of a Series of SB Covered Bonds, an Extended Due for Payment Date shall be specified in the applicable Final Terms.

In respect of each such Series of SB Covered Bonds, if the CBC is obliged under the CB Guarantee to pay a Guaranteed Final Redemption Amount, then:

- (a) the obligation of the CBC to pay such Guaranteed Final Redemption Amount in respect of such Series of SB Covered Bonds shall be deferred to, and shall under the CB Guarantee be due on, the Extended Due for Payment Date, unless on the Extension Date or any subsequent Interest Payment Date which applies pursuant to paragraph (b) below and which falls prior to the Extended Due for Payment Date, any moneys are available to the CBC after the CBC shall under the relevant Priority of Payments have paid or provided for (1) all higher and *pari passu* ranking amounts, (2) all Guaranteed Final Redemption Amounts pertaining to any Series of HB Covered Bonds with a CB Final Maturity Date falling in or prior to the CBC Payment Period in which the Extended Due for Payment Date for such Series of SB Covered Bonds falls and/or (3) all Guaranteed Final Redemption Amounts pertaining to any other Series of SB Covered Bonds with an Extended Due for Payment Date falling prior to the CBC Payment Period in which the Extended Due for Payment Date for such Series of SB Covered Bonds falls, in which case the CBC shall (i) give notice thereof to the relevant holders of the SB Covered Bonds (in accordance with Condition 13 (*Notices*) of the CB Conditions), the Rating Agencies, the CB Trustee, the CB Principal Paying Agent and the CB Registrar (in the case of Registered Covered Bonds) as soon as reasonably practicable and in any event at least two Business Days prior to the Extension Date and/or such Interest Payment Date, respectively, and (ii) apply such remaining available moneys in payment, in whole or in part, of such Guaranteed Final Redemption Amount, if applicable *pro rata* with any Guaranteed Final Redemption Amount

pertaining to a Series of SB Covered Bonds with an Extended Due for Payment Date falling in the same CBC Payment Period in which the Extended Due for Payment Date for this Series of SB Covered Bonds falls (and to such extent such Guaranteed Final Redemption Amount shall for the purpose of the relevant Priority of Payments and all other purposes be due) on the Extension Date and/or such Interest Payment Date, respectively; and

- (b) the CBC shall under the CB Guarantee owe interest over the unpaid portion of such Guaranteed Final Redemption Amount, which shall accrue and be payable on the basis set out in the applicable Final Terms or, if not set out therein, Condition 4 (*Interest*) of the CB Conditions, provided that for this purpose all references in Condition 4 (*Interest*) of the CB Conditions to the CB Final Maturity Date of such Series of SB Covered Bonds are deemed to be to references the Extended Due for Payment Date, *mutatis mutandis*,

all without prejudice to the CBC's obligation to pay any other Guaranteed Amount (i.e. other than the Guaranteed Final Redemption Amount) when Due for Payment.

If the CBC is obliged under the CB Guarantee to pay a Guaranteed Final Redemption Amount payable in respect of any Series of HB Covered Bonds on the CB Final Maturity Date of such Series, such Guaranteed Final Redemption Amount shall be payable on such CB Final Maturity Date (and therefore no deferral to any Extended Due for Payment Date shall apply to any Series of HB Covered Bonds).

Failure by the CBC to pay Guaranteed Final Redemption Amounts or the balance thereof, as the case may be, on the CB Final Maturity Date (in respect of Series of HB Covered Bonds only) or Extended Due for Payment Date (in respect of Series of SB Covered Bonds only) and/or pay Guaranteed Amounts constituting Scheduled Interest on any Scheduled Payment Date, CB Final Maturity Date (in respect of Series of HB Covered Bonds only) or the Extended Due for Payment Date (in respect of Series of SB Covered Bonds only) will (subject to any applicable grace period) be a CBC Event of Default.

For the purposes hereof:

“Due for Payment” means, with respect to a Guaranteed Amount, (i) prior to the service of a CBC Acceleration Notice, the Scheduled Payment Date in respect of such Guaranteed Amount or, if later, the day which is two Business Days after service of an Issuer Acceleration Notice and a Notice to Pay or (ii) after the service of a CBC Acceleration Notice, the date on which the CBC Acceleration Notice is served (or, in either case, if such day is not a Business Day, the first following Business Day).

“Guaranteed Amounts” means, in respect of a Series:

- (a) with respect to any Scheduled Payment Date falling prior to the service of a CBC Acceleration Notice, the sum of the Scheduled Interest and Scheduled Principal payable on such Scheduled Payment Date; or
- (b) with respect to any date after the service of a CBC Acceleration Notice, an amount equal to the aggregate of (i) the relevant Early Redemption Amount specified in the CB Conditions as being payable on that date and (ii) all accrued and unpaid interest and all other amounts due and payable in respect of the Covered Bonds and all amounts payable by the CBC under the CB Trust Deed, provided that any Guaranteed Amounts representing interest paid after the CB Final Maturity Date shall be paid on such dates and at such rates as specified in the applicable Final Terms.

“Rating Agency” means any rating agency (or its successor) who, at the request of the Global Issuer, assigns, and for as long it assigns, one or more ratings to the Covered Bonds under the Programme from time to time, which may include Moody's, Fitch and/or S&P.

“Scheduled Interest” means, in respect of a Series, any amount of scheduled interest payable (i) under the Covered Bonds as specified in Condition 4 (*Interest*) of the CB Conditions (but excluding any additional amounts relating to premiums, default interest or interest upon interest payable by the Global Issuer following a Global Issuer Event of Default but including any such amounts following a CBC Acceleration Notice), for this purpose disregarding any Excess Proceeds received by the CB Trustee on account of scheduled interest and on paid to the CBC in accordance with the CBC Trust Deed, or (ii) under the Guarantee as specified in Condition 3(b) (*The Guarantee*) of the CB Conditions.

“Scheduled Payment Dates” means, in respect of a Series, each Interest Payment Date and the CB Final Maturity Date as specified in (i) in the case of Scheduled Interest, Condition 4 (*Interest*) of the CB Conditions or Condition 3(b) (*The CB Guarantee*) of the CB Conditions, as the case may be, or (ii) in the case of Scheduled Principal, Condition 6(a) (*Redemption at Maturity*) of the CB Conditions.

“Scheduled Principal” means, in respect of a Series, any amount of scheduled principal payable under the Covered Bonds as specified in Condition 6(a) (*Redemption at Maturity*) of the CB Conditions (but excluding any additional amounts relating to prepayments, early redemption, broken funding indemnities, penalties, premiums or default interest payable by the Global Issuer following a Global Issuer Event of Default but including such amounts (if any) together with the CB Early Redemption Amount and any interest accrued on the Guaranteed Amounts in accordance with Clause 3.1 of the CB Trust Deed following a CBC Acceleration Notice), for this purpose disregarding any Excess Proceeds received by the CB Trustee on account of scheduled principal and on-paid to the CBC in accordance with the CB Trust Deed.

2.2 SECURITY

In the CB Trust Deed, the CBC undertakes to pay to the CB Trustee amounts equal to and in the currency of the amounts it owes (i) to the Covered Bondholders under or pursuant to the CB Guarantee, the CB Trust Deed and the other CB Transaction Documents and (ii) the other Secured Creditors under or pursuant to the CB Transaction Documents, (the “Principal Obligations”) (such payment undertaking and the obligations and liabilities which are the result thereof the “Parallel Debt”). The Principal Obligations do not include the CBC's obligations pursuant to the Parallel Debt. In this respect the CBC and the CB Trustee acknowledge that (i) the Parallel Debt constitutes undertakings, obligations and liabilities of the CBC to the CB Trustee which are separate and independent from and without prejudice to the Principal Obligations of the CBC to any Secured Creditor and (ii) the Parallel Debt represents the CB Trustee's own claim (*vordering*) to receive payment of the Parallel Debt from the CBC, provided that the aggregate amount that may become due under the Parallel Debt will never exceed the aggregate amount that may become due under all of the Principal Obligations to the Secured Creditors. The total amount due and payable by the CBC under the Parallel Debt shall be decreased to the extent that the CBC shall have paid any amounts to the Covered Bondholders or any other Secured Creditor to reduce the Principal Obligations and the total amount due and payable by the CBC under the Principal Obligations shall be decreased to the extent that the CBC shall have paid any amounts to the CB Trustee under the Parallel Debt. Pursuant to the Common Terms (set out in Schedule 2 to the Incorporated Terms Memorandum), the Secured Creditors accept that the Security created by the Security Documents is granted by the CBC to the CB Trustee to secure its obligations pursuant to the Parallel Debt.

The Parallel Debt of the CBC owed to the CB Trustee will be secured by the following security rights granted by the CBC to the CB Trustee:

- (a) pursuant to a master pledge of receivables agreement (the “Master Receivables Pledge Agreement”), a first ranking non-disclosed right of pledge (*stil pandrecht*) over the Transferred Receivables. The right of pledge created pursuant to the Master Receivables Pledge Agreement will not be notified to the Borrowers except under the conditions of the Master Receivables Pledge Agreement;
- (b) if Substitution Assets are transferred to the CBC, pursuant to a pledge of substitution assets agreement (the “Substitution Assets Pledge”), a first ranking disclosed right of pledge (*openbaar pandrecht*) (or, if applicable, any equivalent foreign security interest) over such Substitution Assets;
- (c) pursuant to a pledge of accounts agreement (the “Accounts Pledge”), a first ranking disclosed right of pledge (*openbaar pandrecht*) (or, if applicable, any equivalent foreign security interest) over all current and future monetary claims of the CBC vis-à-vis the Account Bank in respect of the CBC Accounts. The right of pledge created pursuant to the Accounts Pledge will be notified to the Account Bank. The CB Trustee will authorise the CBC to collect the pledged rights, which authorisation can be revoked in the circumstances set out in the deed of pledge; and
- (d) pursuant to a pledge of CBC rights agreement (the “CBC Rights Pledge”), a first ranking disclosed right of pledge (*openbaar pandrecht*) (or, if applicable, any foreign security interest) over the CBC's present and future rights (*vorderingen*) vis-à-vis any debtors of the CBC under any CB Transaction Document to which the CBC is a party, other than the Management Agreement (CBC) whether due and payable and whether actual or contingent. The right of pledge created pursuant to the CBC Rights Pledge will be notified to the relevant debtors. The

CB Trustee will authorise the CBC to collect the pledged rights, which authorisation can be revoked in the circumstances set out in the pledge agreement.

If an Enforcement Event occurs, the CB Trustee will be entitled to enforce the Security (including selling the Transferred Assets) and/or take such steps as it shall deem necessary, subject in each case to being indemnified and/or secured to its satisfaction.

For the purposes hereof:

“Enforcement Event” means any default (*verzuim*) in the proper performance of the Secured Obligations or any part thereof provided that a CBC Acceleration Notice has been served;

“Secured Creditors” means the CB Trustee (in its own capacity and on behalf of the Covered Bondholders), the Originators, the Servicers, the Account Bank, the CB Administrator, the Swap Providers, the Asset Monitor, the CBC Managing Director, the CB Paying Agents, any Participant, the CB Transfer Agent, the CB Exchange Agent, the CB Listing Agent, the CB Registrar and all other creditors for whom the Security is expressed to be granted subject to and in accordance with the CB Trust Deed.

“Secured Property” means all the CBC's assets, rights and receivables including the CBC's rights in respect of the Transferred Assets, its rights in relation to the CBC Accounts and its rights under the CB Transaction Documents over which security is created pursuant to the Security Documents;

“Security” means the security for the obligations of the CBC in favour of the CB Trustee for the benefit of the Secured Creditors created pursuant to, and on the terms set out in, the CB Trust Deed and the Security Documents.

“Security Documents” means the Master Receivables Pledge Agreement, the Substitution Assets Pledge, the Accounts Pledge and the CBC Rights Pledge.

2.3 CBC

Introduction

The issuer of the CB Guarantee is ING Covered Bond Company B.V., incorporated on 19 September 2007 as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of The Netherlands, having its corporate seat (*statutaire zetel*) in Amsterdam, The Netherlands and its registered office at Frederik Roeskestraat 123 1HG, 1076 EE Amsterdam, The Netherlands and registered with the Trade Register (*Handelsregister*) of the Chamber of Commerce (*Kamer van Koophandel*) in Amsterdam, The Netherlands under number 34283089. The telephone number of the CBC is +31 20 577 1177 and the fax number of the CBC is +31 20 577 1188.

Principal Activities

The CBC's articles of association have a restrictive objects clause allowing the CBC the following activities: (i) to obtain, to hold in possession, to alienate, to encumber and to otherwise manage goods, including claims on private persons, enterprises and authorities, whether or not embodied in value papers, as well as to exercise the rights attached to such claims, (ii) to raise funds through, among other things, borrowing under loan agreements, the use of financial derivatives or otherwise and to invest and put out funds obtained by the company in, among other things, (interests in) loans, bonds, debt instruments and other evidences of indebtedness, shares, warrants and other similar securities and also financial derivatives, (iii) to issue guarantees and to grant security for the obligations and debts of the CBC and of third parties, including ING Bank N.V., (iv) to enter into agreements, including, but not limited to, financial derivatives such as interest and/or currency exchange agreements, in connection with the objects mentioned under (i), (ii) and (iii), and (v) to enter into agreements including, but not limited to, bank, securities and cash administration agreements, asset management agreements and agreements creating security in connection with the objects mentioned under (i), (ii), (iii) and (iv) all for the purpose of covered bonds programmes, established by ING Bank N.V.

The CBC has not engaged since its incorporation, and will not engage whilst the Covered Bonds remain outstanding, in any material activities other than activities which are incidental or ancillary to the foregoing.

Shareholders

The entire issued share capital is owned by Stichting Holding ING Covered Bond Company (the "Holding"), a foundation (*stichting*) established under the laws of The Netherlands. The Stichting was established on 28 August 2007 and has its registered office at Frederik Roeskestraat 123 1HG, 1076 EE Amsterdam, The Netherlands. The CBC has no subsidiaries.

The CBC has no employees.

Directors of the CBC

The CBC has entered into a management agreement with ATC Management B.V. (the "CBC Managing Director") on the CB Programme Date (the "Management Agreement (CBC)"), pursuant to which the CBC Managing Director has agreed to provide corporate services to the CBC. The following table sets out the managing director (*bestuurder*) of the CBC and its respective business address and occupation.

Name	Business Address	Business Occupation
ATC Management B.V.	Frederik Roeskestraat 123 1HG, 1076	Corporate Services Provider

Name	Business Address	Business Occupation
	EE Amsterdam, The Netherlands	There is no potential conflict of interests between any duties to the CBC of the CBC Managing Director and its private interests or other duties.

Capitalisation and Indebtedness

The unaudited capitalisation of the CBC as at the date of this Base Prospectus is as follows:

	As at 28 September 2007 (in €)
Shareholders' equity	
Share capital	20,000
Total capitalisation	20,000

Indebtedness

The CBC has no indebtedness and/or liabilities under guarantees as at the date of this Base Prospectus, other than that which the CBC has incurred or shall incur in relation to the transactions contemplated pursuant to the Programme.

In the CB Trust Deed the CBC has covenanted that it will not, save with the prior written consent of the CB Trustee, or as envisaged by the CB Transaction Documents:

- (a) create or permit to subsist any security interest over the whole or any part of its assets or undertakings, present or future;
- (b) dispose of, deal with or grant any option or present or future right to acquire any of its assets or undertakings or any interest therein or thereto;
- (c) have an interest in a bank account other than as set out in the CB Transaction Documents;
- (d) incur any indebtedness or give any guarantee or indemnity in respect of any such indebtedness;
- (e) consolidate or merge with or transfer any of its property or assets to another person;
- (f) issue any further shares (*aandelen*) in its capital;
- (g) have any employees (for the avoidance of doubt, the CBC Managing Director will not be regarded as an employee), premises or subsidiaries;
- (h) acquire assets other than pursuant to the Guarantee Support Agreement;
- (i) engage in any activities or derive income from any activities within the United States or hold any property if doing so would cause it to be engaged or deemed to be engaged in a trade or business within the United States;

- (j) enter into any contracts, agreements or other undertakings;
- (k) compromise, compound or release any debt due to it; or
- (l) commence, defend, settle or compromise any litigation or other claims relating to it or any of its assets.

3. GUARANTEE SUPPORT

3.1 TRANSFERS

As consideration for the CBC assuming the CB Guarantee, and so as to enable the CBC to meet its obligations under the CB Guarantee, the Originators have agreed in the guarantee support agreement dated the CB Programme Date between the Global Issuer, the Initial Originator, the CBC and the CB Trustee (the “Guarantee Support Agreement”) to transfer Eligible Assets to the CBC. The transfers are effectuated as follows:

- (a) in the case of Eligible Receivables, by way of undisclosed assignment (*stille cessie*). This takes place through due execution by the relevant Originator and the CBC of a deed of assignment in the form attached to the Guarantee Support Agreement and offering the same for registration to the Dutch tax authorities (*Belastingdienst*). Notification (*mededeling*) of the assignment to the Borrowers will only take place if a Notification Event occurs. Following receipt of notification by the Borrowers, in principle, only payment to the CBC will discharge a Borrower's obligations under the relevant Transferred Receivable;
- (b) in the case of Eligible Collateral, by way of book-entry transfer (*girale overboeking*); and/or
- (c) in the case of Non-Dutch Assets:
 - (i) if and to the extent possible and desirable in the opinion of the CBC and the CB Trustee, in the manner as described above under (a) if it concerns Eligible Receivables or (b) if it concerns Eligible Collateral; and
 - (ii) if and to the extent not so possible or desirable, in such manner as may be required by the CBC and the CB Trustee and provided that Rating Agency Confirmation has been obtained.

If amendments are necessary to the CB Transaction Documents in relation to such transfer of Non-Dutch Assets in the opinion of the Global Issuer and Rating Agency Confirmation is obtained for such amendments, the CB Trustee will consent thereto without consultation of the holders of the Covered Bonds.

On the First Transfer Date, the Initial Originator will transfer to the CBC the respective Eligible Receivables comprising the Initial Portfolio. Thereafter, each Originator:

- (a) may at any time offer to transfer further Eligible Assets to the CBC; and
- (b) jointly and severally with all other Originators undertakes to upon request of the CBC offer to transfer further Eligible Assets to the CBC. The CBC will only make such a request if it (or the CB Administrator on its behalf) determines that the Asset Cover Test, any Pre-Maturity Test (to be implemented if any Series of HB Covered Bonds is issued) or any Portfolio Test has been breached under the Asset Monitor Agreement.

The CBC shall accept each such offer if the relevant conditions precedent set out in the Guarantee Support Agreement have been met, including in the case of transfer of Receivables receipt of a confirmation that the Receivables Warranties are true and correct in all material respects and not misleading in any material respect as at the relevant Transfer Date.

In the Guarantee Support Agreement each Originator covenants, among other things, that if (i) it makes any Further Advance under any Loan Agreement relating to a Transferred Receivable, (ii) such Further Advance is secured by the same Related Security and (iii) such Further Advance results in an Eligible Receivable, then it will transfer such further Eligible Receivable to the CBC as soon as reasonably practicable and, if possible, prior to the following Calculation Date.

In the Guarantee Support Agreement, the following intercreditor arrangement is agreed between each of the Originators, the CBC and the CB Trustee. If:

- (i) and to the extent that any Related Security secures both a Transferred Receivable and any receivable which is owned by an Originator (and which has not been transferred to the CBC) (a “Residual Claim”), the relevant Originator and the CBC agreed that the CBC shall have, and each Originator granted the CBC, exclusive authority to perform all acts of management (*beheer*) and/or of disposal (*beschikking*) pertaining to such Related Security and in any event, without prejudice to the generality of the foregoing, to:
 - (a) foreclose (*uitwinnen*) on such Related Security without any involvement of the relevant Originator; and
 - (b) apply the foreclosure proceeds in payment of the Transferred Receivable such that only the remaining proceeds (if any) will be available for application in payment of the Residual Claim,

provided that (i) for as long as no Notification Event has occurred and no Notice to Pay or CBC Acceleration Notice has been served, the CBC agreed to delegate such authority to the relevant Originator and (ii) such authority shall not be vested in the CBC but in the relevant Originator if the relevant Originator can prove that such Related Security was specifically created to secure the Residual Claim and was not intended to secure the Transferred Receivable;

- (ii) paragraph (i) above is not effective to procure compliance therewith by the relevant Originator (or its liquidator in any Insolvency Proceedings), such Originator owes the CBC an amount equal to its share in the foreclosure proceeds of each relevant Related Security, which amount shall be immediately due and payable in case the relevant Borrower defaults (*in verzuim is*) in respect of the relevant Transferred Receivable or the Residual Claim(s) such Borrower owes to the relevant Originator, provided that the CBC's recourse to any Originator in relation to any Related Security is limited to such Originator's share in the foreclosure proceeds of such Related Security;
- (iii) (A) In case any of the Global Issuer's long-term credit ratings ceases to be at least the Minimum Long Term Required Ratings and the Global Issuer does not regain such Minimum Long Term Required Ratings on the date falling twelve months after the date of such downgrade, or (B) in case any of the Global Issuer's long-term credit ratings ceases to be at least the Minimum Long Term Trigger Ratings or any such rating is withdrawn, unless in both cases an appropriate remedy to the satisfaction of the CB Trustee is found after having received Rating Agency Confirmation, then each of the Originators have agreed to forthwith, and in any event within ten Business Days after the occurrence of such downgrade or withdrawal, grant to the CBC a right of pledge on its Residual Claims as security for the payment of the relevant amount it owes to the CBC pursuant to paragraph (ii) above. If, after the pledge of the Residual Claims, the Global Issuer regains a long-term rating from each of the Rating Agencies of at least the Minimum Long Term Required Ratings and retains such Minimum Long Term Required Ratings for a consecutive period of at least twelve months or such other period as may be agreed with the Rating Agencies from time to time, the CBC and the CB Trustee will be obliged

to release the rights of pledge vested on the Residual Claims. In addition, each of the CBC and the CB Trustee undertakes to release such right of pledge on any Residual Claims of a Borrower if (i) the principal amount outstanding in respect of the relevant Transferred Receivable has been repaid in full together with all accrued interest and other secured amounts due under or in connection with the related Loan or (ii) if all Transferred Receivables that are secured by the same Related Security as such Residual Claims have been retransferred to the relevant Originator in accordance with the terms of the Guarantee Support Agreement;

- (iv) the pledge pursuant to paragraph (iii) above is implemented, any foreclosure proceeds are applied in discharge of amounts due pursuant to paragraph (ii) above and the Related Security is no longer in place or, as reasonably determined by the CBC and the CB Trustee, no longer expected to generate any proceeds, the CBC will retransfer to the relevant Originator a part of (the unsatisfied part of) the relevant Transferred Receivable for a principal amount corresponding to the principal amount of the pledged Residual Claims so applied;
- (v) the CBC transfers a Transferred Receivable in accordance with the Guarantee Support Agreement and the Asset Monitor Agreement to any transferee other than the relevant Originator or insurer, it is entitled to transfer its corresponding rights and obligations pursuant to Clause 9.4 (*Intercreditor Arrangements*) of the Guarantee Support Agreement to such transferee and each Originator in advance irrevocably granted its co-operation to any such transfer (within the meaning of article 6:159 of the Dutch Civil Code); and
- (vi) an Originator transfers a Residual Claim to any transferee (other than an insurer pursuant to a Master Transfer Agreement in relation to an MTA Receivable), it will simultaneously transfer its corresponding rights and obligations pursuant to Clause 9.4 (*Intercreditor Arrangements*) of the Guarantee Support Agreement to such transferee and the CBC in advance irrevocably agreed to co-operate with any such transfer (within the meaning of article 6:159 of the Dutch Civil Code). Each Originator warrants and represents that it has not transferred any Residual Claims to any party (other than an insurer pursuant to a Master Transfer Agreement in relation to an MTA Receivable) prior to the relevant Transfer Date on which the Transferred Receivable that is secured by the same Related Security is transferred to the CBC in accordance with the terms of the Guarantee Support Agreement.

Neither the CBC, the CB Trustee nor the Global Issuer has made or has caused to be made on its behalf any enquiries, searches or investigations in respect of the Transferred Assets. Instead, each is relying entirely on the Representations and Warranties by the relevant Originator contained in the Guarantee Support Agreement. The parties to the Guarantee Support Agreement may, with the prior written consent of the CB Trustee and after having received Rating Agency Confirmation, amend the Representations and Warranties. The Receivables Warranties are as follows and are given on the relevant Transfer Date by the relevant Originator in respect of the Receivables to be transferred by it to the CBC:

- (i) each Receivable is an Eligible Receivable;
- (ii) the particulars of the Eligible Receivables set out in Annex 1 to the relevant deed of assignment, are true, complete and accurate in all material respects and the Gross Outstanding Principal Balance in respect of each Receivable in the Initial Portfolio as at the Closing Date or in a New Portfolio as at the relevant Transfer Date and the aggregate Gross Outstanding Principal Balance of the Receivables in the Initial Portfolio or in a New Portfolio is correctly stated in Exhibit 1 to the Guarantee Support Agreement (or as the case may be, the relevant deed of assignment);

- (iii) no Originator has created, agreed to create or permitted to subsist any limited right (*beperkt recht*) on, or right of set-off pertaining to, any of its Collection Accounts or rights or receivables pertaining thereto; and
- (iv) prior to (but not earlier than a Reasonable Prudent Lender would deem acceptable) making the Initial Advance under each Loan Agreement, the relevant Originator complied with its obligations under the Dutch Identification Act (*Wet Identificatie bij Dienstverlening*) and the Dutch Act on the Notification of Unusual Transactions (*Wet Melding Ongebruikelijke Transacties*) (as amended and supplemented from time to time) together with any other ancillary regulatory requirements, including but not limited to any requirements of the AFM, in connection with the origination of each Eligible Receivable.

The CB Programme Agreement provides a mechanism for (i) at the option of the Global Issuer, members of the ING Group wishing to transfer Eligible Assets to the CBC, to accede to the relevant CB Transaction Documents as a New Originator, subject always to Rating Agency Confirmation and (ii) Originators that have not originated any of the CBC's Transferred Assets at such time, to withdraw from the relevant CB Transaction Documents as an Originator, provided that no Notification Event, Global Issuer Event of Default or CBC Event of Default has occurred and no Notice to Pay has been served.

In the CB Trust Deed, the CB Trustee agrees to, upon receipt of each Asset Cover Report, verify whether such Asset Cover Report states that a Notification Event has occurred.

For the purpose hereof:

“Collection Accounts” means the bank accounts in the name of the relevant Originator on which payments under the Eligible Receivables are collected.

“First Transfer Date” means the date on which the Initial Portfolio is transferred to the CBC pursuant to the Guarantee Support Agreement.

“Further Advance” means, in relation to a Transferred Receivable, any advance of further money under the relevant Loan Agreement, which may include a new mortgage loan, to the relevant Borrower following the making of the Initial Advance and secured by the same Mortgage.

“Gross Outstanding Principal Balance” in relation to a Receivable at any date, means the aggregate principal balance of such Receivable at such date (but avoiding double counting) including the following:

- (i) the Initial Advance; and
- (ii) any increase in the principal amount due under that Receivable due to any Further Advance,

in each case relating to such Receivable less any prepayment, repayment or payment of the foregoing made on or prior to such date.

“Initial Advance” means, in respect of any Loan Agreement, the original principal amount advanced by the relevant Originator to the relevant Borrower.

“Initial Portfolio” means the Eligible Receivables particulars of which are set out in the deeds of assignment executed on the CB Programme Date.

“Minimum Long Term Required Ratings” means the minimum long term credit ratings as determined to be applicable or agreed by each relevant Rating Agency from time to time in respect of the Global Issuer, being as at the CB Programme Date and to the extent each of them is a Rating Agency, A- by S&P, A- by Fitch and A3 by Moody's.

“Minimum Long Term Trigger Ratings” means the minimum long term credit ratings as determined to be applicable or agreed by each relevant Rating Agency from time to time in respect of the Global Issuer, being as at the CB Programme Date and to the extent each of them is a Rating Agency, BBB+ by S&P, BBB+ by Fitch and Baa1 by Moody's.

“Net Outstanding Principal Balance” means in relation to a Transferred Receivable, at any date, the Gross Outstanding Principal Balance of such Receivable less, if it is a Savings Receivable subject to a Participation, an amount equal to such Participation on such date.

“Notification Event” means the earliest to occur of the following unless the CB Trustee, having obtained Rating Agency Confirmation to that effect, has confirmed in writing to the relevant Originator(s) and the CBC that, subject to any condition imposed by the CB Trustee, any such event shall not (or not immediately) constitute a Notification Event:

- (i) a default is made by an Originator in the payment on the due date of any amount due and payable by it under any CB Transaction Document to which it is a party and such failure is not remedied within ten (10) Business Days after notice thereof has been given by the Global Issuer or the CB Trustee to the relevant Originator;
- (ii) an Originator fails duly to perform or comply with any of its obligations under any CB Transaction Document to which it is a party or the Bank in its capacity as Servicer does not comply with any of the obligations under any Servicing Agreement and if such failure is capable of being remedied, such failure, is not remedied within ten (10) Business Days after notice thereof has been given by the Global Issuer or the CB Trustee to the relevant Originator or the Bank in its capacity as Servicer;
- (iii) an Originator takes any corporate action, or other steps are taken or legal proceedings are started or threatened against it, for (i) its dissolution (*ontbinding*), (ii) its liquidation (*vereffening*), (iii) a merger (*fusie*) involving such Originator as disappearing entity unless Rating Agency Confirmation has been obtained in respect of such merger, (iv) a demerger or split-off (*splitsing of afsplitsing*) involving such Originator unless Rating Agency Confirmation has been obtained in respect of such demerger or split-off, (v) its entering into emergency regulations (*noodregeling*) as referred to in Chapter 3 of the Wft, (vi) its bankruptcy, (vii) any equivalent or analogous insolvency proceedings under any applicable law or (viii) the appointment of a liquidator (*curator*), administrator (*bewindvoerder*) or a similar officer of it or of any or all of its assets;
- (iv) an Originator's assets are placed under administration (*onder bewind gesteld*);
- (v) a Notice to Pay is served on the Global Issuer and the CBC;
- (vi) a CBC Event of Default occurs;
- (vii) any credit rating of the Global Issuer's long-term unsecured, unsubordinated and unguaranteed debt obligations falls below any of the Minimum Long Term Trigger Ratings or any such rating is withdrawn; or
- (viii) any Originator ceases to be a subsidiary (*dochtermaatschappij*) of ING Groep N.V. before it withdraws as an Originator from the CB Transaction Documents in accordance with the CB Programme Agreement.

“Receivables Warranties” means the representations and warranties given by each of the Originators in respect of the Receivables as set out in Part 3 of Schedule 1 (*Representations and Warranties*) to the Guarantee Support Agreement.

“Representations and Warranties” means the representations and warranties given by each of the Originators as set out in Schedule 1 (*Representations and Warranties*) to the Guarantee Support Agreement.

“Transfer Date” means the First Transfer Date or the date of transfer of any further Eligible Assets to the CBC in accordance with the Guarantee Support Agreement.

“Transferred Assets” means the Transferred Receivables, the Transferred Collateral and the Transferred Non-Dutch Assets.

“Transferred Collateral” means any Eligible Collateral transferred or purported to be transferred to the CBC pursuant to the Guarantee Support Agreement, to the extent not retransferred, sold or otherwise disposed, or agreed to be disposed, of by the CBC.

“Transferred Non-Dutch Assets” means any Non-Dutch Assets transferred or purported to be transferred to the CBC pursuant to the Guarantee Support Agreement, to the extent not retransferred, sold or otherwise disposed, or agreed to be disposed of by the CBC.

“Transferred Receivables” means any Eligible Receivables transferred to the CBC pursuant to the Guarantee Support Agreement, to the extent not redeemed, retransferred, sold or otherwise disposed of, or agreed to be disposed of, by the CBC.

3.2 RETRANSFERS

Pursuant to the Guarantee Support Agreement:

- (a) Prior to the service of a Notice to Pay and provided that the Asset Cover Test shall not be breached upon such retransfer, the CBC will retransfer a Receivable or Defaulted Receivable to the relevant Originator if a material breach of the Receivables Warranties occurs as of the relevant Transfer Date in respect of such Receivable or if the CB Administrator identifies a Defaulted Receivable, subject to applicable grace periods.
- (b) Prior to:
 - (i) the occurrence of a Notification Event and service of a Notice to Pay or CBC Acceleration Notice, the Global Issuer shall request a retransfer of a Transferred Receivable from the CBC to an Originator if an Eligible Receivable transferred by such Originator to the CBC no longer has the benefit of a Municipality Guarantee or an NHG Guarantee as a result of any action taken or omitted to be taken by the relevant Originator, the Administrator or the Servicer and, as a consequence thereof, such Transferred Receivable would not qualify as an Eligible Receivable if it were tested against the Eligibility Criteria at that time; and/or
 - (ii) the service of a CBC Acceleration Notice, the Global Issuer (on behalf of a relevant Originator) may from time to time in accordance with the Guarantee Support Agreement request a retransfer from the CBC of certain Transferred Assets (other than MTA Receivables for the purpose of on-transfer of such MTA Receivables by the relevant Originator to a relevant insurer pursuant to a Master Transfer Agreement) designated for such purposes by the relevant Originator.

The CBC shall comply with a request referred to under (b)(i) so long as the Asset Cover Test is not breached upon such retransfer and no Notification Event has occurred and no Notice to Pay or CBC Acceleration Notice has been served. The CBC may comply with a request referred to under (b)(ii) at its discretion provided that the Asset Cover Test is not breached upon such retransfer and no CBC Acceleration Notice has been served.

- (c) If the CBC intends to sell Selected Receivables on terms permitted or required by the Asset Monitor Agreement, it shall first offer such Selected Receivables for sale on the same terms to the Originators in accordance with the Guarantee Support Agreement.
- (d) For as long as no Notification Event has occurred, the Global Issuer (on behalf of the relevant Originator) may request a purchase and retransfer from the CBC of MTA Receivables designated by the relevant Originator for the purpose of on-transfer of such MTA Receivables by the relevant Originator to a relevant insurer pursuant to a Master Transfer Agreement. The CBC shall comply with such request provided that (i) no Notification Event has occurred, (ii) the principal amount of (the relevant part of) the MTA Receivable in respect of which the request for purchase and retransfer has been made shall not exceed an amount equal to the Savings received by the relevant insurer in the month immediately preceding the date on which the purchase and retransfer of such (part of the) MTA Receivable is completed, under the relevant savings insurance policy relating to the Savings Loan from which such MTA Receivable was originated and (iii) the purchase price of such (part of the) MTA Receivable shall be at least an amount equal to the Savings received by the relevant insurer in the month immediately preceding the date on which the purchase and retransfer of such (part of the) MTA

Receivable is completed, under the relevant savings insurance policy relating to the Savings Loan from which such MTA Receivable was originated.

A retransfer by the CBC as abovementioned will take place in accordance with the Guarantee Support Agreement and be effectuated in substantially the same manner as the transfers to the CBC described above, *mutatis mutandis*. If the retransfer concerns Selected Receivables which are sold to an Originator further to the relevant Originator's right of pre-emption (*voorkeursrecht*), the underlying sale and purchase will be concluded through execution of a Selected Receivables Offer Notice.

“Accrued Interest” means in relation to any Receivable and as at any date (the “Receivable Interest Determination Date”) on or after the relevant Transfer Date, interest on such Receivable (not being interest which is currently payable on such date) which has accrued from and including the scheduled interest payment date under the associated Loan Agreement immediately prior to the Receivable Interest Determination Date up to and including the Receivable Interest Determination Date;

“Arrears of Interest” means in relation to any Receivable and as at the Receivable Interest Determination Date, interest which is due and payable and unpaid up to and including the Receivable Interest Determination Date;

“Current Balance” means in relation to an Eligible Receivable at any date, the aggregate (without double counting) of the Net Outstanding Principal Balance, Accrued Interest (unless it concerns calculations for either the Asset Cover Test or the Amortisation Test Aggregate Asset Amount, in which case Accrued Interest will not be included) and Arrears of Interest as at that date.

“Defaulted Receivable” means any Transferred Receivable (other than a Disputed Receivable or a Written-Off Receivable) in respect of which:

- (a) a declaration has been made by the Originator that such Transferred Receivable is irrecoverable;
- (b) legal proceedings have been commenced for its recovery;
- (c) the related Borrower is declared bankrupt (*failliet verklaard*) or has been granted a suspension of payments (*surseance van betaling*) or debt rescheduling arrangement (*schuldsaneringsregeling*) or equivalent or analogous events or proceedings have occurred in relation to the relevant Borrower; or
- (d) the relevant Borrower has not paid (including, without limitation, payments made by third parties on behalf of the Borrower) by the end of the Calculation Period during which such Transferred Receivable becomes more than 180 days overdue for payment from its Receivable Due Date.

“Disputed Receivable” means any Receivable in respect of which payment is disputed (in whole or in part, with or without justification) by the Borrower owing such Receivable.

“Receivable Due Date” in relation to any Receivable means the original date on which such Receivable is due and payable.

“Selected Receivables” means Transferred Receivables to be sold or refinanced by the CBC pursuant to the terms of the Asset Monitor Agreement.

“Written-Off Receivable” means any Receivable which has been written off by the relevant Originator as irrecoverable for accounting purposes in accordance with that Originator's general accounting practices.

3.3 ELIGIBLE ASSETS

The following assets are eligible to be transferred to the CBC by the Originators pursuant to the Guarantee Support Agreement:

- Eligible Receivables;
- Eligible Collateral; and
- Non-Dutch Assets (together with the Eligible Receivables and the Eligible Collateral: the “Eligible Assets”).

The loan products or loan parts to which the Eligible Receivables of the Initial Originator relate can be categorised as follows (regardless of the different names used by the Initial Originator to refer to its loan products falling under the same category):

- 1 An interest-only loan (an “Interest-Only Loan”) is a loan on which only interest is due until maturity. The full principal amount is repayable in one instalment at maturity. An Interest-Only Loan does not have an insurance, a savings or an investment element;
- 2 An annuity loan (an “Annuity Loan”) is characterised by equal periodical payments by the Borrower. These payments contain both an interest and a principal component. As with each principal payment part of the Loan is redeemed, the interest component declines after each successive payment. The principal component increases in such a way that the remaining balance of the Loan at maturity will be zero. An Annuity Loan does not have an insurance, a savings or an investment element;
- 3 A linear loan (a “Linear Loan”) is a loan on which the periodical payment consists of a constant principal component plus an interest component based on the remaining Loan balance. The balance of the Loan is thus being repaid in a straight-line fashion i.e. linear, and will be zero at maturity, while the interest payment declines after each successive payment. A Linear Loan does not have an insurance, a savings or an investment element;
- 4 An investment loan (an “Investment Loan”) is, like an Interest-Only Loan, a loan on which only interest is due until maturity. The full principal amount is repayable in one instalment at maturity. To secure the Investment Loan, the Borrower pledges a securities account which it maintains with an investment firm or a bank established in The Netherlands. Under the related securities account agreement, the Borrower pays (upfront and/or on a regular basis) a sum which is invested in a variety of investment funds offered by the investment firm or bank. Upon maturity the investment proceeds are applied towards repayment of the Investment Loan. If the proceeds are insufficient, the relevant Borrower is obliged to make up any shortfall. An Investment Loan has an investment element, but does not have an insurance or a savings element, except that with respect to certain Investment Loans, the Borrower has the possibility to open a savings account which is connected to his securities account. The savings account is maintained in the name of the Borrower with the Bank. Subject to the terms and conditions of the relevant Investment Loan, at the option of the Borrower, (part of) the sum which is to be paid by the Borrower (upfront and/or on a regular basis) is deposited in such savings account (rather than being invested). The Borrower will be allowed to switch from investments to savings and vice versa in accordance with the terms and conditions of the relevant Investment Loan. To secure such Investment Loan, the Borrower pledges the savings account;

- 5 A life loan or life insurance loan (a “Life Loan”) is, like an Interest-Only Loan, a loan on which only interest is due until maturity. The full principal amount is repayable in one instalment at maturity. To secure the Life Loan, the Borrower pledges the rights under a life insurance policy to the relevant Originator, which is a combined risk and capital insurance policy, if and to the extent that the amount of the relevant Life Loan exceeds 100% of the foreclosure value (*executiewaarde*) of the relevant Property. Under the life insurance policy the Borrower pays premium consisting of (apart from a cost element) a risk and a capital/investment element. The Borrower has the choice between (i) the Traditional Alternative and (ii) the Unit-Linked Alternative. “Traditional 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 (bond) investments chosen by the relevant insurance company with a guaranteed minimum yield. “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 out of a selection of funds selected by the relevant Originator. The insurance proceeds of the life insurance policy are due by the insurer at the earlier of the maturity of the life insurance policy (which is generally thirty years) and the death of the Borrower, and are applied towards repayment of the Life Loan. If the proceeds are insufficient, the relevant Borrower is obliged to make up any shortfall. A Life Loan has an insurance and a capital/investment element, but does not have a savings element;
- 6 A savings loan (a “Savings Loan”) is, like an Interest-Only Loan, a loan on which only interest is due until maturity. The full principal amount is repayable in one instalment at maturity. To secure the Savings Loan, the Borrower pledges the rights under a savings insurance policy to the relevant Originator, which is a combined risk and capital insurance policy. Under the savings insurance policy the Borrower pays premium consisting of (apart from a cost element) a risk and a savings element. The savings element is calculated in such a manner that, on an annuity basis, the proceeds of the savings insurance policy due by the insurer are equal to the principal amount due by the Borrower at maturity of the Savings Loan. The insurance proceeds of the savings insurance policy are due at the earlier of the maturity of the savings insurance policy (which is generally thirty years) and the death of the Borrower, and are applied towards repayment of the Savings Loan. If the proceeds are insufficient, the relevant Borrower is obliged to make up any shortfall. A Savings Loan has an insurance and a savings element, but does not have an investment element; and/or
- 7 A hybrid loan (a “Hybrid Loan”) is, like an Interest-Only Loan, a loan on which only interest is due until maturity. The full principal amount is repayable in one instalment at maturity. A Hybrid Loan is a combination of a Life Loan and a Savings Loan. To secure the Hybrid Loan, the Borrower pledges the rights under an insurance policy to the relevant Originator, which is a combined risk and capital insurance policy. Under the insurance policy the Borrower pays premium consisting of (apart from a cost element) a risk and a capital/investment element and, if applicable, a savings element. Due to the hybrid nature of the insurance policy, the Borrower has the right (subject to various conditions) (i) to choose to invest the life insurance premiums (a) in investment funds, as in the life insurance policy of the Unit-Linked Alternative as described above, or (b) in a savings element, as in the savings insurance policy as described under Savings Loan above, and (ii) to switch between the Unit-Linked Alternative and the savings insurance alternative of the insurance policy, in whole or in part. The insurance proceeds of the insurance policy are due at the earlier of the maturity of the insurance policy (which is generally thirty years) and the death of the Borrower, and are applied towards repayment of the Hybrid Loan. If the proceeds are insufficient, the relevant Borrower is obliged

to make up any shortfall. A Hybrid Loan has an insurance element and a capital/investment element and, if applicable a savings element,

provided in each case that if and to the extent that the amount of the Loan exceeds 100% of the foreclosure value (*executiewaarde*) of the relevant property, the Borrower is advised (but not obliged) to enter into a risk life insurance policy under which the Borrower pays premium consisting of (apart from a cost element) a risk element only, and to pledge such risk life insurance policy to the relevant Originator as security for the Loan.

Interest types

The Initial Originator offers a number of different types of interest which are up to the date of this Base Prospectus as summarised below.

Floating rate interest (Variabele rente)

The floating rate interest is fixed for a period of one, three or six months. The interest rate can be changed on the first day of a subsequent period of one, three or six months in line with the prevailing interest rate on the last banking day previous to such subsequent period.

Fixed rate interest (Vaste rente)

The Borrower pays the same interest rate throughout the fixed-interest period. The fixed-interest periods are available in terms of one year to twenty years. Subject to certain conditions it is possible to change the term (of the fixed-interest period) by means of either interest rate averaging or by paying up front the cash value of the interest difference.

The Borrower may opt for an interest consideration period (*rentebedenktijd*), in which case the Borrower can during the last year or -as the case may be- during the last two years of a fixed interest period choose a new fixed interest period.

Combination of interest periods (Renteknip)

A Borrower may divide its Loan into two or more parts. Different interest periods may be applicable to the various parts of the Loan. The intention is to avoid a sudden interest rate increase that would otherwise apply to the entire amount of the Loan.

For the purpose hereof:

“Adverse Claim” means any encumbrance, attachment or other right or claim in, over or on any person's assets or properties in favour of any other person.

“Borrower” means, in relation to an Eligible Receivable, the individual or individuals specified as such in the relevant Loan Agreement together with the individual or individuals (if any) from time to time assuming an obligation to discharge such Eligible Receivable or any part of it.

“Capital Requirements Directive” means the EC Directive implementing the Basel II framework relating to capital adequacy of investment firms and credit institutions, as implemented in The Netherlands, as the same may be varied, amended or re-enacted from time to time.

“Eligible Collateral” means euro denominated cash and/or Substitution Assets.

“Eligible Receivable” means a Receivable which complies with the following criteria, which are all subject to amendment from time to time, provided that Rating Agency Confirmation is obtained in respect of such amendment (as amended from time to time, the “Eligibility Criteria”) as at the relevant Transfer Date:

(A) General

1. It is existing, is denominated in euro and is owed by Borrowers established or resident in The Netherlands who are not employed by any Originator or, if the Borrower is so employed by any Originator or any of its respective subsidiaries (*dochtermaatschappijen*) or participations (*deelnemingen*), the terms and conditions of such Receivable are on arm's length terms, except for the interest rate.
2. It is governed by Dutch law and the terms and conditions of such Receivable do not provide for the jurisdiction of any court or arbitration tribunal outside The Netherlands.
3. It is secured by Property located in The Netherlands which is not the subject of any residential letting and which is occupied by the relevant Borrower since origination (or shortly thereafter) and used mainly for residential purposes.
4. The Loan from which it results is fully disbursed and is not a Revolving Credit Loan.
5. Its nominal amount remains a debt, which has not been paid or discharged by set-off or otherwise, and includes all loan parts (*leningdelen*) (other than any Revolving Credit Loan) granted to the relevant Borrower under the relevant Loan Agreement.
6. The Loan from which it results was in all material respects granted in accordance with all applicable laws, legal requirements and the "code of conduct on mortgage loans" (*Gedragcode Hypothecaire Financieringen*) prevailing at the time of origination and met in all material respects the relevant Originator's Lending Criteria which, where applicable, are generally based on the NHG requirements and prior to 1995 on the Municipality Guarantee requirements as applicable at that time and all required consents, approvals and authorisations have been obtained in respect of such Loan.
7. The relevant Originator has in all material respects performed all its obligations which have fallen due under or in connection with the relevant Loan Agreements connected to it and no Borrower has threatened in writing or, so far as the relevant Originator is aware, commenced any legal action which has not been resolved against the relevant Originator for any failure on the part of the relevant Originator to perform any such obligation.
8. It can be easily segregated and identified for ownership and Related Security purposes on any day.
9. It is not a Receivable in respect of which the CBC has notified the relevant Originator that the CBC has determined that such Receivable or class of Receivables is not reasonably acceptable to the CBC under the Programme and it is not due from a Borrower in respect of which the CBC has notified the relevant Originator that Receivables from such Borrower are not Eligible Receivables.
10. The loan files relating to it contain the relevant Borrower Files (as defined in the Incorporated Terms Memorandum), which include authentic copies of the notarial mortgage deeds.
11. The maximum outstanding principal amount of the Loan from which it results, or the aggregate maximum outstanding amount of all Receivables secured by the same Related Security together, does not exceed € 1,500,000.
12. The outstanding principal amount of the Loan from which it results does not exceed:

- (i) if it does not have the benefit of an NHG Guarantee (*Nationale Hypotheek Garantie*) or a Municipality Guarantee:
 - (a) 100% of the foreclosure value of the related Property at the time of origination of such Loan if it is an Interest-Only Loan; or
 - (b) 125% of the foreclosure value of the related Property at the time of origination of such Loan (other than an Interest-Only Loan); or
- (ii) if it does have the benefit of an NHG Guarantee or a Municipality Guarantee, the maximum amount as may be set under the NHG requirements or Municipality Guarantee requirements, as the case may be, at the time of origination.

(B) *Borrowers*

13. It constitutes a legal, valid and enforceable obligation of the related Borrower and is enforceable against such Borrower in accordance with the terms of the relevant Loan Agreement without any right of rescission, withholding, suspension, counterclaim or other defence other than those provided for under mandatory rules of applicable law and subject to any limitations arising from bankruptcy, insolvency or any other laws of general application relating to or affecting the rights of creditors generally.
14. So far as the relevant Originator is aware:
 - (i) the related Borrower has not asserted and no circumstances exist as a result of which such Borrower would be entitled to assert any counterclaim, right of rescission or set-off, or any defence to payment of any amount due or to become due or to performance of any other obligation due under the related Loan Agreement;
 - (ii) the related Borrower is not in material breach, default or violation of any obligation under such Loan Agreement;
 - (iii) the related Borrower is not subject to bankruptcy or any other insolvency procedure within the meaning of any applicable insolvency law;
 - (iv) no proceedings have been taken in respect of it by the relevant Originator against the related Borrower; and
 - (v) no litigation, dispute or complaint is subsisting, threatened or pending which affects or might affect it or the related Borrower which may have an adverse effect on the ability of such Borrower to perform its related obligations.

(C) *Payments*

15. Payments of interest are scheduled to be made monthly.
16. It is not in arrears in relation to any payments and at least one payment in respect of such Receivable has been made.

(D) *Unencumbered Transfer*

17. The relevant Originator has full right and title to it and has power to transfer or encumber (*is beschikkingsbevoegd*) it and such Receivable is not subject to any agreement to transfer or encumber it, whether or not in advance, in whole or in part, in any way whatsoever.

18. It is owed to the relevant Originator and is free and clear of any Adverse Claims.
19. It can be transferred by way of assignment (*cessie*) and is not subject to any contractual or legal restriction of transfer by way of assignment.
20. Its transfer will not violate any law or any agreement by which the relevant Originator may be bound and upon such transfer it will not be available to the creditors of the relevant Originator on such Originator's liquidation.

(E) *Security and previous transfers*

21. It is secured by mortgage rights and rights of pledge governed by Dutch law which:
 - (i) constitute valid mortgage rights (*hypotheekrechten*) and rights of pledge (*pandrechten*) respectively on the assets which are purported to be the subject of such mortgage rights and rights of pledge and, to the extent relating to mortgage rights, have been entered into the appropriate public register (*Dienst van het Kadaster en de Openbare Registers*);
 - (ii) have first priority (*eerste in rang*) or first and sequentially lower priority;
 - (iii) were vested for a principal amount outstanding which is at least equal to the principal amount of the related Loan when originated increased with interest, penalties, costs and/or insurance premiums together up to an amount equal to (at least) 140 % of the principal amount of the related Loan when originated; and
 - (iv) were created pursuant to a mortgage or pledge deed which does not contain any specific wording regarding the transfer of such right of mortgage or pledge securing it, unless an express confirmation to the effect that upon a transfer of the relevant Receivable, the Receivable will following the transfer continue to be secured by the right of mortgage or pledge.
22. The consent, licence, approval or authorisation of any person (other than the related Borrower) which was necessary to permit the creation of its Related Security were obtained including the consent of the spouse of such Borrower pursuant to Article 1:88 of the Dutch Civil Code.
23. It:
 - (i) was originated by the relevant Originator (which includes origination by an originator (i) which has Merged into the relevant Originator or (ii) whose Relevant Assets and Liabilities have been acquired by the relevant Originator pursuant to a Demerger) and it has not (nor has any such Merged Originator or Demerged Originator (as the case may be)) transferred any receivable (including but not limited to any Residual Claim) secured by the Related Security to any party other than (a) the CBC (or in the case of a Merged Originator or Demerged Originator (as the case may be), other than the relevant Originator) and/or (b) an insurer pursuant to a Master Transfer Agreement in relation to an MTA Receivable; or
 - (ii) is secured by Related Security which does not include All-monies Security and any and all present and future receivables which are secured by the Fixed Security forming part of the Related Security, together with any and all contractual relationships (*rechtsverhoudingen*) from which receivables have

arisen or may arise which are or will be secured by such Fixed Security, have, together with all Related Security, been transferred to (i) such Originator or (ii) an insurer pursuant to a Master Transfer Agreement in relation to an MTA Receivable.

(F) *Valuation*

24. The related Borrower was obliged to obtain a building insurance (*opstalverzekering*) for the full reinstatement value (*herbouwwaarde*) of the Property at the time the related Loan was advanced.
25. Each Property concerned was valued in accordance with the then prevailing valuation criteria as applied by the relevant Originator. At 26 February 2008, the prevailing valuation criteria in relation to Loans originated by the Initial Originator are as follows: each Property was valued when application for the relevant Loan was made by an independent qualified valuer or surveyor, except if (i) the principal amount outstanding in respect of all Receivables secured on the same Property did not, at the time of application by the Borrower, exceed 125% of the foreclosure value (*executiewaarde*) of the Property in which case the foreclosure value is assumed to be equal to 100% of the assessment by the Dutch tax authorities on the basis of the Act on Valuation of Real Property (*Wet Waardering Onroerende Zaken*, “WOZ”), or (ii) in respect of Property to be constructed or in construction at the time of application by the Borrower, the Loan to be granted did not exceed 100% of the foundation cost of the Property (whereby ‘foundation cost’ means the aggregate of the purchase price and building contract sum and all other costs (to be) made for acquiring the Property, up to a maximum of 125% of the aggregate of the purchase price and building contract sum of the Property).

(G) *Long Lease*

26. If it is secured by a right of mortgage on a long lease (*erfpacht*), the terms of the relevant Loan Agreement provide that the principal amount outstanding of the related Loan, including interest, will become immediately due and payable if (i) the long lease terminates as a result of a breach by the leaseholder, (ii) the leaseholder materially breaches or ceases to perform its payment obligations under the long lease (*canon*) or (iii) the leaseholder in any other manner breaches the conditions of the long lease.

(H) *No Bridge Loans or Residential Subsidy Rights*

27. It does not arise from bridging mortgage loans (*overbruggingshypotheeken*).
28. It is not related to a Loan in connection with which Residential Subsidy Rights were purportedly transferred to the relevant Originator.

(I) *Specific Products*

29. It is related to an Interest-Only Loan, an Annuity Loan, a Linear Loan, an Investment Loan, a Life Loan, a Savings Loan, a Hybrid Loan or any combination of the foregoing.
30. If it has an NHG Guarantee connected to it, (i) the NHG Guarantee is granted for its full amount outstanding at origination, and constitutes legal, valid and binding obligations of Stichting Waarborgfonds Eigen Woningen, enforceable in accordance with such NHG Guarantee's terms, (ii) all terms and conditions (*voorwaarden en normen*) applicable to the “Nationale Hypotheek Garantie” at the time of origination of the related Loans were complied with and (iii) the relevant Originator is not aware of any reason why any claim

under any NHG Guarantee in respect of it should not be met in full and in a customary manner.

31. If it has a Municipality Guarantee connected to it, (i) the Municipality Guarantee is granted for its full amount outstanding at origination and constitutes legal, valid and binding obligations of the relevant municipality (*gemeente*), enforceable in accordance with such Municipality Guarantee's terms, (ii) all conditions (*voorwaarden*) set forth in any laws, rules or regulations applicable to the Municipality Guarantee have been fulfilled and (iii) the relevant Originator is not aware of any reason why any claim under any Municipality Guarantee in respect of it should not be met in full and in a customary manner.
32. If it relates to a Life Loan, a Savings Loan or a Hybrid Loan, then it has the benefit of the applicable Mixed Insurance Policy and (i) the relevant Originator (or an originator (i) which has Merged into the relevant Originator or (ii) whose Relevant Assets and Liabilities have been acquired by the relevant Originator pursuant to a Demerger) has either been validly appointed as beneficiary (*begunstigde*) under such Mixed Insurance Policy upon the terms of the relevant Loan Agreement and Mixed Insurance Policy (the resulting rights the "Beneficiary Rights" or, if another person has been appointed as beneficiary, under an irrevocable payment instruction from such person to the relevant insurer, (ii) all receivables under such Mixed Insurance Policy have been validly pledged by the relevant Borrower to the relevant Originator (or an originator (i) which has Merged into the relevant Originator or (ii) whose Relevant Assets and Liabilities have been acquired by the relevant Originator pursuant to a Demerger), which pledge has been notified to the relevant insurer and (iii) none of the underlying policy, beneficiary clause, payment instruction or deed of pledge, as applicable, contains any provision restricting or prohibiting (a) said pledge to the relevant Originator, (b) a transfer of the Beneficiary Rights by the relevant Originator to the CBC, (c) an appointment by the relevant Originator of the CBC as new beneficiary under such Mixed Insurance Policy or (d) a waiver of the Beneficiary Rights by the relevant Originator.
33. The general conditions applicable to it provide that its principal sum, increased with interest, reimbursements, costs and amounts paid by the relevant Originator on behalf of the related Borrower and any other amounts due by such Borrowers to such Originator will become due and payable, among other things, if a Mixed Insurance Policy attached to it is invalid and/or payment of premium under the Mixed Insurance Policy is suspended (*premievrif*).
34. If it is related to an Interest-Only Loan, an Annuity Loan or a Linear Loan, it does not relate to any savings and/or investment product.
35. If it is related to an Interest-Only Loan, it does not exceed the Original Foreclosure Value.
36. If it is related to an Investment Loan:
 - (i) the relevant securities account maintained in the name of the relevant Borrower has been validly pledged to the relevant Originator (or an originator (i) which has Merged into the relevant Originator or (ii) whose Relevant Assets and Liabilities have been acquired by the relevant Originator pursuant to a Demerger) and is maintained with:

- an investment firm (*beleggingsonderneming*) in the meaning ascribed thereto in the Wft, being either a broker (*bemiddelaar*) or an asset manager (*vermogensbeheerder*), which is by law obliged to administer the securities through a bank (see the next paragraph) or a separate securities giro (*effectengiro*); or
 - a bank (which is by law obliged to administer the securities through a separate depositary vehicle unless the transfer of any such securities is subject to the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer 1977*), in which case the bank can administer such securities itself; and
- (ii) any relevant savings account connected to the relevant securities account is maintained in the name of the relevant Borrower and has been validly pledged to the relevant Originator (or an originator (i) which has Merged into the relevant Originator or (ii) whose Relevant Assets and Liabilities have been acquired by the relevant Originator pursuant to a Demerger) and is maintained with the Bank.
37. If it is related to a Life Loan (i) the relevant Mixed Insurance Policy and the relevant Life Loan (other than a Life Loan in respect of which the related Mixed Insurance Policy is entered into by the Borrower with a Relevant Insurer) are in the relevant insurer's and Originator's promotional materials not offered as one product, and (ii) (a) if it falls under category 3 of the Deduction Risk description, the relevant Borrowers are not obliged to enter into a Mixed Insurance Policy with an insurer which is a group company of the relevant Originator and are free to choose the relevant insurer (subject to prior approval of the relevant Originator) or (b) if it falls under category 4 of the Deduction Risk description, the guaranteed yield of the capital/investment under the Mixed Insurance Policy is not linked to the interest base applicable to the relevant Loan.
38. If it is related to an Investment Loan and the related investment product is offered by the relevant Originator itself (and not by a third party investment firm or bank), such investment product has been offered in accordance with all applicable laws and legal requirements prevailing at the time of origination, including those on the information that is to be provided to prospective investors.

“Demerger” means, in respect of a legal entity (a “Demerged Originator”), a legal act (*rechtshandeling*) between such entity and an Originator, pursuant to which all (or part thereof) assets and liabilities (*vermogen*) (the “Relevant Assets and Liabilities”) of such entity have been acquired by such Originator on a general legal basis (*algemene titel*) as referred to in article 2:334(a)(3) of the Dutch Civil Code.

“Lending Criteria” means such criteria applicable to the granting of a Loan to a Borrower as the relevant Originator may from time to time apply and which would be acceptable to a Reasonable Prudent Lender.

“Loan” means any loan (including the Initial Advance and any Further Advance) or loan part (*leningdeel*) granted by the relevant Originator to a Borrower pursuant to the terms of a Loan Agreement.

“Loan Agreement” means a mortgage loan agreement between an Originator and a Borrower secured by a right of mortgage (*recht van hypotheek*), including the corresponding notarial deed, pledge deed and set of general terms and conditions in such form as each Originator may from time to time introduce as would be acceptable to a Reasonable Prudent Lender.

“Merged” means, in respect of a legal entity (a “Merged Originator”), that as a result of a legal act (rechtshandeling) between such entity and an Originator, all assets and liabilities (vermogen) of such entity have transferred to such Originator on a general legal basis (algemene titel) as referred to in article 2:309 of the Dutch Civil Code, with such legal entity being the disappearing entity.

“Mixed Insurance Policy” means any combined risk and capital (*risico en kapitaal*) insurance policy.

“Mortgage” means a right of mortgage (*recht van hypotheek*) over a Property securing the related Receivable.

“Municipality Guarantee” means guarantees (*borgtochten*) issued by municipalities (*gemeenten*) in The Netherlands.

“NHG” or “NHG Guarantee” means guarantees (*borgtochten*) issued by Stichting Waarborgfonds Eigen Woningen under the terms and conditions of the National Mortgage Guarantee (*Nationale Hypotheek Garantie*), as from time to time amended.

“Non-Dutch Assets” means:

- (a) euro denominated residential mortgage-backed receivables and/or related security originated in jurisdictions outside The Netherlands; and/or
- (b) assets that meet all requirements set out in the definition of Substitution Assets other than those set out in paragraph (e) (iii) of such definition,

provided that (i) Rating Agency Confirmation is obtained in respect of the relevant transfer of such assets by the relevant Originator to the CBC and (ii) the CB Trustee is satisfied that pursuant to such transfer the CBC will receive assets of equivalent credit and security status and ranking as the other Eligible Assets (supported by a legal opinion of internationally recognised counsel in form and substance satisfactory to the CB Trustee).

“Property” means (i) a real property (*onroerende zaak*), (ii) an apartment right (*appartementsrecht*), or (iii) a long lease (*erfpacht*), which is subject to a Mortgage.

“Rating Agency Confirmation” means, with respect to each Rating Agency, receipt of a confirmation in writing that the then current ratings of the Covered Bonds will not be adversely affected by or withdrawn as a result of the relevant event or matter.

“Reasonable Prudent Lender” means the Originators and/or the Servicers, as applicable, acting in accordance with the standards of a reasonable lender of Dutch residential mortgage loans to Borrowers in The Netherlands which is acting as a reasonable creditor in protection of its own interests.

“Receivable” means a registered claim (*vordering op naam*) vis-à-vis a Borrower for repayment of a Loan and includes any Related Security.

“Related Security” means, with respect to any Receivable, all related accessory rights (*afhankelijke rechten*), ancillary rights (*nevenrechten*), connected rights (*kwalitatieve rechten*) and independently transferable claims (*zelfstandig overdraagbare vorderingsrechten*), including rights of mortgage (*hypotheekrechten*), rights of pledge (*pandrechten*), suretyships (*borgtochten*), guarantees, rights to receive interest and penalties and, to the extent transferable, Beneficiary Rights and interest reset rights.

“Relevant Insurer” means any of Nationale Nederlanden Levensverzekering Maatschappij N.V., Algemene Levensherv verzekering Maatschappij N.V., and Allianz Nederland Levensverzekering N.V. and any of its predecessors (including, without limitation, Royal Levensverzekering Maatschappij N.V., and Zwolsche Algemeene Hypotheken N.V.).

“Residential Subsidy Right” means the right to receive annual contributions with respect to residential Properties on the basis of the Resolution Monetary Support Own Residences (*Beschikking geldelijke steun eigen woningen*) of the ministry of housing, regional development and environment (“VROM”) dated 1984 or the Resolution Residence Related Subsidies (*Besluit woninggebonden subsidies*) of VROM dated 1992 and 1995.

“Revolving Credit Loan” means any loan or loan part (*leningdeel*) granted, or required to be granted, by a relevant Originator to a Borrower pursuant to a Loan Agreement or otherwise, that qualifies as revolving credit (*doorlopend krediet*), current account or similar type of credit, and which is secured by the same Related Security as the relevant Receivable owing by that Borrower under a related Loan.

“Standardised Approach” means Annex VI (Standardised Approach) to the Capital Requirements Directive (or, after any amendment, variation, enactment or implementation of such Directive, the corresponding Annex).

“Substitution Assets” means the classes of assets from time to time eligible under the Capital Requirements Directive to collateralise covered bonds including:

- (a) exposures to or guaranteed by central governments, central banks or international organisations that are 0% risk weighted under the Standardised Approach;
- (b) exposures to or guaranteed by public sector entities, regional governments or local authorities that qualify for 0% risk weighting under the Standardised Approach;
- (c) exposures to institutions that qualify for a 10% risk weighting under the Standardised Approach;
- (d) exposures to institutions that qualify for a 20% risk weighting under the Standardised Approach, provided that the total exposure to such institutions shall not exceed 10% of the (euro equivalent of the) aggregate Principal Amount Outstanding of all Covered Bonds then outstanding; and
- (e) euro denominated residential mortgage backed securities provided that such investments are actively traded in a continuous, liquid market on a recognised stock exchange, are held widely across the financial system, are available in an adequate supply and which have a minimum rating as determined to be applicable or agreed by a relevant Rating Agency, being as at the CB Programme Date and to the extent each of them is a Rating Agency, Aaa by Moody's, AAA by Fitch and AAA by S&P, provided that the total exposure to such institutions shall not exceed 10% of the (euro equivalent of the) aggregate Principal Amount Outstanding of all Covered Bonds then outstanding,

in each case being an exposure denominated in euro, provided that:

- (i) such exposure will have certain minimum long term and short term ratings as determined to be applicable or agreed by each relevant Rating Agency from time to time, being as at the CB Programme Date and to the extent each of them is a Rating Agency, at least: (a) insofar as Moody's is concerned: A2 or P-1 for exposures maturing within one month, A1 and P-1 for exposures maturing within one to three months, Aa3 and P-1 for exposures maturing within three to six months and Aaa and P-1 for exposures maturing over six months, (b) insofar as S&P is concerned: A or A-1 for exposures maturing in thirty days and for exposures maturing over 30 days to one year, AA- or A-1+ and AAA for exposures maturing over one year and (c) insofar as Fitch is concerned:

F1 for exposures maturing within thirty days, F1+ for exposures maturing within thirty days to one year and AAA for exposures maturing over one year;

- (ii) the maximum aggregate total exposures (in general and/or to such exposure) will not exceed a certain percentage of the Principal Amount Outstanding of the Covered Bonds as determined to be applicable or agreed by each relevant Rating Agency from time to time, being as at the CB Programme Date and to the extent each of them is a Rating Agency, at least (a) insofar as Moody's is concerned: the maximum aggregate total exposures in general shall not exceed 20% of the Principal Amount Outstanding of the Covered Bonds and (b) insofar as S&P is concerned: the maximum aggregate total exposure to A-1 exposures shall not exceed 20% of the Principal Amount Outstanding of the Covered Bonds;
- (iii) such exposure consists of securities (a) which are either deposited with Euroclear or the transfer of which is subject to the Dutch Securities Giro Transfer Act 1977 (*Wet giraal effectenverkeer 1977*) and (b) which are credited to a securities account in the relevant Originator's name administered in The Netherlands or Belgium, as the case may be; and
- (iv) the aggregate value of the Substitution Assets other than as set out in paragraph (a) of this definition, at any time, shall not exceed in aggregate an amount equal to 10% of the total assets of the CBC.

3.4 OVERVIEW OF THE DUTCH RESIDENTIAL MORTGAGE MARKET

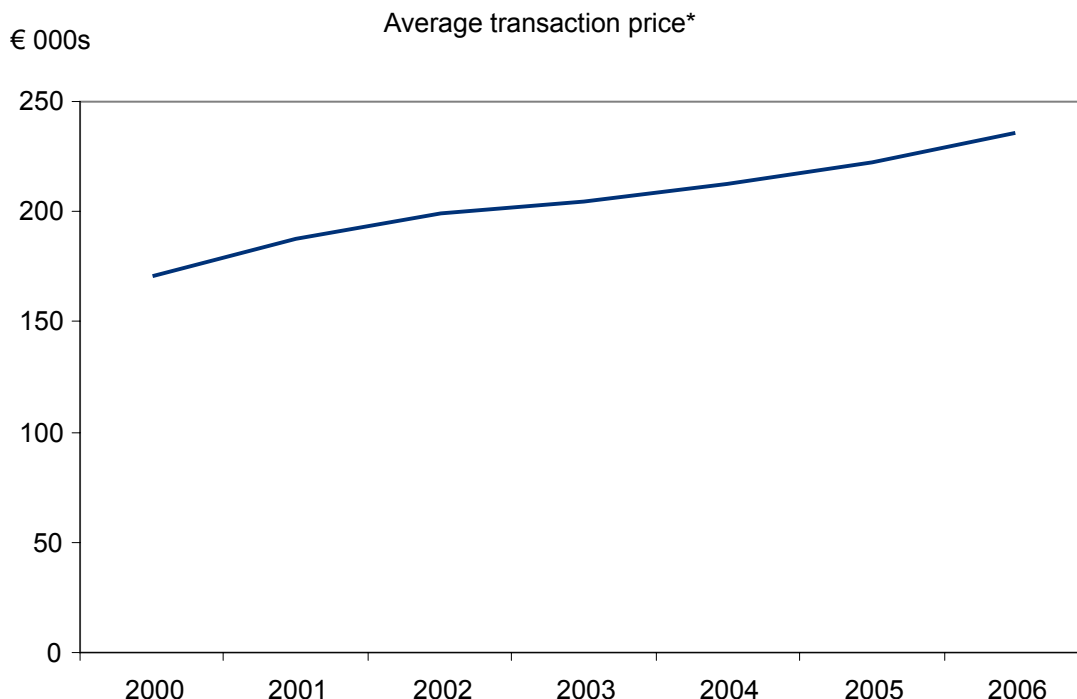
MARKET CHARACTERISTICS

Owner-occupancy rates

The Dutch housing market exhibited a relatively low owner-occupancy rate of 54 per cent. in 2006 whereas the average owner-occupancy rate in the EU as a whole was 61 per cent. However, the owner-occupancy rate in The Netherlands has been gradually increasing: in 1982 only 42 per cent. of the total housing stock was owner-occupied.

House prices

General price increases occurred on the Dutch housing market in the period from 1995 through 2006, due to the combined effects of favourable economic conditions and institutional changes. Income growth, declining mortgage interest rates and a reduction of unemployment increased demand for owner-occupied housing. Furthermore, a decrease in the number of newly built homes supported these price rises. Another cause of the price increases in the late 1990's is a change in how some mortgage lenders calculate the borrowing capacity of households. In general, lenders formerly calculated the borrowing capacity of households based on the primary household salary only. Since the mid-1990's, some lenders also evaluated a second household salary. For double-income households this resulted in a surge of their borrowing capacity, which could be used to increase bid prices of the relatively scarce owner-occupied property. In addition the number of double-income households has been increasing over the past decade. It is not certain whether, and how many, lenders will continue to underwrite mortgage loans in this way and, accordingly, increased capacity may not be generally sustained.



* Source: ING Economic Bureau

MORTGAGE MARKET CHARACTERISTICS

Lenders

Banks are the main mortgages lenders in The Netherlands, followed by insurers and other financial institutions such as pension funds and building funds. The top twelve lenders provide more than 80 per cent. of the mortgage loans. These mortgage loans are offered through branches, call centres, the internet and to an increasing extent via intermediaries.

Mortgage indebtedness

Compared to other European countries the Dutch market shows a relatively high degree of mortgage indebtedness. Both the fiscal climate and the existence of the NHG Guarantee help explain this fact. In The Netherlands it is possible to deduct mortgage interest payments from taxable income (see the paragraph Government policy and restrictions below). The NHG Guarantee makes it possible to finance a house with a mortgage loan corresponding to 100 per cent. of the market value of the property plus costs relating to the purchase of the property, with a maximum loan of euro 265,000 in 2008. The NHG Guarantee covers around 50 per cent. of all newly issued mortgages up to euro 265,000. Foreclosure value in The Netherlands is estimated to be generally around 87 per cent. of the market value.

As a result of the relatively high mortgage indebtedness, the Dutch market tends to be a relatively high loan-to-value market. Due to rising home-ownership and rising prices, the total mortgage debt outstanding increased substantially. Total mortgage debt outstanding was euro 526 billion (January 2007), which causes the Dutch economy to be a relatively high Mortgage Debt-to-GDP economy with a ratio of approximately 100 per cent. in January 2007¹.

Default losses

Since 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 or no access to loans for the defaulting party for some years. Furthermore, under Dutch law the lender is able to seize a portion of the borrower's earnings from his employer in case the borrower defaults. Available data indicate that losses peaked in the early 1980's to about 30 basis points of the outstanding amount, due to a combined effect of declining house prices and an increase in unemployment levels. In the event of foreclosure, however, recoveries are generally still less than fair market value. Since then, losses declined substantially, reaching levels of below 2 basis points of the outstanding principal in the 1990's and the new millennium.

Prepayment terms

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. Under most mortgage loan conditions, full prepayment without penalty is only possible in cases of moving or decease. 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. Prepayment penalties are tax deductible to the borrower. Declining interest rates in the mid- and late 1990's encouraged many borrowers to refinance.

¹ Source: DNB / ING Bank

Government policy and restrictions

The Dutch tax system allows full deduction of all mortgage loan interest payments on the Borrower's primary residence from taxable income. The interest deduction is limited to thirty years of interest payments. The Dutch government also levies a property tax, the so-called *Eigenwoningforfait*, on homeowners². The fiscal advantage of the interest deduction is maximised in The Netherlands through the availability of interest-only mortgage loans whereby full redemption takes place at the end of maturity. In addition, a proportion of residential mortgage loans has the benefit of a life insurance policy or a savings insurance policy, with the most common term of insurance being 30 years. The government encourages this method of redemption by exempting from tax the capital sum received under the policy, up to a certain amount (in 2003: euro 134,500 for individuals and euro 269,000 for couples) plus annual indexing, provided the term of insurance is at least 20 years and other conditions are being met.

Mortgage loan interest payments on residences that are not the primary residence of the borrower are not tax deductible. Instead, both the fair market value of the property and the corresponding loan are taken into account for the calculation of the borrower's "yield basis" when determining the borrower's income on savings and investments. On an annual basis the borrower will be taxed at a rate of 30 per cent. on deemed income (which consists of 4 per cent.) of the average yield basis of the borrower insofar the average yield basis exceeds a certain threshold.

Accuracy of Information

The information contained in this Section "Overview of the Dutch Residential Mortgage Market" is correctly reflected herein and is, to the best of the knowledge and belief of the Global Issuer and as far as it was able to verify this on the basis of publicly available information, in accordance with the facts and does not omit anything likely to affect the import of such information.

² Prior to 2001 this property tax was called *Huurwaardeforfait*.

3.5 MUNICIPALITY / NHG GUARANTEE PROGRAMME

Municipality Guarantee

In 1960, the Netherlands government introduced the 'municipal government participation', an open ended scheme in which the municipalities give, according to a set of defined criteria, municipality guarantees to banks who grant mortgage loans to certain lower income groups (the "Municipality Guarantees"). 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 mortgage loan to cover its obligations. The aim was to promote house ownership among the lower income groups. The Municipality Guarantee covers the outstanding principal, accrued unpaid interest and disposal cost. To the extent that the mortgage loan is partially redeemed either through scheduled payments or prepayments, the Municipality Guarantee is reduced accordingly. Additional mortgage loans made under a mortgage loan agreement are not covered by the Municipality Guarantee to the extent that the outstanding amount of the mortgage loan is greater than the original amount less scheduled repayments.

NHG Guarantee

Since 1 January 1995 a central, privatised entity "Stichting Waarborgfonds Eigen Woningen" ("WEW") is responsible for the administration and granting of the NHG Guarantee (*Nationale Hypotheek Garantie*), 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 a mortgage loan, the NHG Guarantee reduces on a monthly basis by an amount which is equal to the monthly payments (interest and principal) as if such mortgage loan were being prepaid on a thirty year annuity basis. In respect of each mortgage loan, the NHG Guarantee reduces further to take account of scheduled repayments or prepayments under such mortgage loan (See "*Risk Factors - Part 4: Risk Factors Relating to Covered Bonds*" in Chapter 1 of this Base Prospectus).

Transition from Municipality to NHG Guarantee

The Dutch State has effectively transferred its reimbursement obligations with respect to amounts guaranteed by a Municipality to the WEW. All municipalities have transferred their obligations under guarantees issued pursuant to the previous State terms and conditions to the WEW.

The transfer of obligations by the Dutch State and the municipalities to the WEW is set forth, respectively, in a 'buy-off' agreement (*afkoopovereenkomst*) dated 8 December 1994 between the Dutch State and the WEW and in standard buy-off agreements entered into between each participating municipality and the WEW. The buy-off agreements basically provide for WEW to assume all payment obligations of the Dutch State and the municipalities under guarantees issued (but not enforced) prior to 1 January 1995 against payment by the Dutch State and the participating municipalities of an up-front lump sum (and, if necessary, additional payments) to the WEW.

Financing of the WEW

The WEW finances itself, *inter alia*, by a one-off charge to the borrower of 0.45% of the principal amount of the mortgage loan (as of 1 January 2008). Besides this, the 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% 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, the other 50% 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*), moratorium of payments (*surseance van betaling*) or liquidation (*ontbinding*) of the WEW) to meet its obligations under guarantees issued.

Terms and Conditions of the Municipality Guarantee

The Dutch State established the terms and conditions for the Municipality Guarantees. These terms and conditions have been amended from time to time over the years. As of October 1992, to qualify for a Municipality Guarantee under the relevant State terms and conditions, *inter alia*, the following conditions had to be met: (1) a municipality guarantee must be applied for the purchase of an asset; (2) the applicant for whose benefit the guarantee is given must be the owner-occupier; (3) the purchase price (as defined in the relevant terms and conditions) must not exceed NLG 250,000 (which amounts to 113,445 euro); (4) the relevant mortgage loan granted for the purchase of the property must have a minimum maturity of five years and a maximum maturity of 30 years; (5) repayments have to be on a monthly basis and can be 'annuity' or 'linear'; (6) the relevant mortgage loan must be secured by a first priority mortgage right securing only the mortgage loan on the mortgaged asset, in favour of the lender; (7) the guarantee covers the lender's claims under the mortgage loan as of the date of sale of the property by the lender enforcing the mortgage; (8) if the mortgage right is combined with a life insurance policy, the rights under the policy must be pledged to the lender; (9) the lender must ensure that the property is adequately insured (by the borrower) against fire damage during the term of the mortgage loan. In addition, once the guarantee has been issued, the lender has certain ongoing obligations under the Municipality Guarantee vis-à-vis the municipality; (i) without the consent of the municipality the lender shall not agree to a suspension of payment under the mortgage loan; (ii) the lender must inform the municipality on a yearly basis as to the amount outstanding under the mortgage loan; (iii) if and when the borrower is in default under the mortgage loan, the lender must inform the municipality accordingly; (iv) if the default of the borrower under the mortgage loan is continuing, the lender may not sell the property, except with the consent of the municipality; (v) the lender may not claim under the guarantee, unless the mortgage has been enforced and the property has been sold.

Terms and Conditions of the NHG Guarantees

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 relevant 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 the 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.

In addition, as of 1 January 2008 the applicant itself must be verified with the Foundation for Fraud Prevention of Mortgages (*Stichting Fraudepreventie Hypotheken*; “SFH”). If the applicant has been recorded in the SFH system no NHG Guarantee will be granted.

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 first or second ranking mortgage right in case a further advance has been granted in accordance with the NHG terms and conditions). Furthermore, the borrower is required to take out insurance in respect of the mortgaged property against risk of fire, flood and other accidental damage for the full restitution value thereof. The borrower is also required to create a right of pledge in favour of the lender on the rights of the relevant borrower against the insurance company under the relevant life insurance policy connected to the mortgage loan or to create a right of pledge in favour of the lender on the proceeds of the investment funds. The terms and conditions also require a risk insurance policy which pays out upon the death of the borrower/insured for the period that the amount of the mortgage loan exceeds 80% 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 Municipality Guarantee

The claim must be made under the same conditions as for the NHG claim (see below). There are three possibilities for claiming payment for a defaulted mortgage loan by a Municipality Guarantee: (1) the municipality has joined the NHG scheme and has transferred its obligations to the NHG, (2) the municipality has joined the NHG scheme and has transferred its obligations to the NHG but the municipality has retained its old obligations, or (3) the municipality has not joined the NHG scheme. The claims procedure is as follows:

- (A) in relation to (1) above, the claim is made to the municipality that issued the guarantee, which checks the validity of the claim and forwards it to the WEW which makes the payment to the lender;
- (B) in relation to (2) above, the claim is made to the issuing municipality which checks the claim and makes the payment to the lender (the WEW will reimburse the municipality for 50% of the claim); and
- (C) in relation to (3) above, the claim is made to the issuing municipality which checks the claim and makes the payments to the lender.

In all cases the full file of relevant information must be submitted with the claim within the required time. Payment should be made within two months. If not, interest is payable for the delayed payment period.

In its letter dated 26 October 2000, the WEW has confirmed that the starting point for its policies is that each financial institution with which it has a guarantee arrangement acts in good faith (*te goeder trouw*) and that breaches of the terms and conditions (the “*Voorwaarden en Normen*”), which do not have a material influence on the occurrence and the size of the loss, lead to payment under the claims. The WEW also confirmed that if a financial institution should transfer to a third party its rights under mortgage loans which have the benefit of a Guarantee and which are registered with the WEW in accordance with the provisions of the terms and conditions, pursuant to a sale by that financial institution of a mortgage loan portfolio to which the mortgage loans in question belong or in connection with a financial transaction, such third party transferee

will become the beneficiary of the Guarantee as provided for in article 6:142 sub-section 1 of the Dutch Civil Code.

Claiming under the NHG Guarantees

When a borrower is in arrears with payments under a mortgage loan for a period of 4 months, a lender informs the WEW in writing within 30 days of the outstanding payments, including the guarantee number, the borrower's name and address, information about the underlying security, the date of the 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 the property is 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 mortgage loan and the NHG Guarantee. After receipt of the claim and all the supporting details, the WEW must make payment within two months. If the payment is late, provided the request is valid, the 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 co-operation 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, among other things, 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 granting of such an additional loan is subject to certain conditions, including, among other things, the fact that the financial difficulties are caused by a divorce, unemployment, disability or death of the partner of the borrower.

Main NHG Underwriting Criteria (*Normen*) as of 2008

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

- (i) The lender must perform a BKR check. "A" and "A1" registrations are allowed in certain circumstances.

- (ii) The lender must perform an SFR check. No form of registration of the applicant with the SFR is allowed.
- (iii) As a valid source of income the following applies: indefinite contract of employment, temporary 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 probational period (*proeftijd*) a three year history of income statements, for self employed three year annual statements.
- (iv) 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 tested for the test rate of the Code of Conduct on mortgage financing (*Gedragscode Hypothecaire Financieringen*) for loans with a fixed interest rate period less than 10 years and the actual interest rate for loans with a fixed interest rate period equal to or in excess of 10 years.

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

- (i) 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:
 - (a) 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) and (ii). In case an existing property can be bought without paying stamp duty (*vrij op naam*), the purchase price under (i) is multiplied by 93 per cent.
 - (b) For the purchase of 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) and (ii) 8 per cent of the amount under (i).
- (ii) The maximum loan amount that is interest only is 50% of the original value of the property.
- (iii) The risk insurance policy should at a minimum cover the loan amount in excess of 80% of the market value.

3.6 ORIGINATION BY INITIAL ORIGINATOR AND SERVICING BY INITIAL ORIGINATOR

GENERAL

The Bank, a subsidiary of ING Groep N.V., which is supervised by the Dutch Central Bank, will transfer Eligible Assets to the CBC under the Guarantee Support Agreement (in such capacity, the “Initial Originator”). At the option of the Issuer, subject always to Rating Agency Confirmation, any subsidiary (dochtermaatschappij) of ING Groep N.V. may accede to, among other things, the Programme Agreement and the Guarantee Support Agreement as an originator (each a “New Originator” and together with the Initial Originator, the “Originators”). This section differentiates between (i) origination by the Initial Originator and, prior to being Merged into the Initial Originator, its relevant predecessors and (ii) servicing of Loans by the Bank as Initial Servicer.

ORIGINATION

Introduction

The mortgage loans are distributed through independent broker agents and ING Groep N.V. broker agents or by telephone or internet in combination with regular mail. New mortgage loans are accepted on the basis of a fixed underwriting protocol.

The principal items in the underwriting protocol are:

Code of Conduct (Gedragscode Hypothecaire Financieringen)

The Code of Conduct on mortgage financing is applicable to all Dutch Financial Institutions offering mortgage loans for the purchase, reconstruction or refinancing of the borrower’s property. The Code of Conduct dictates amongst others how to determine the maximum loan capacity of the borrower, and operates on a “comply or explain” basis. This means that each mortgage provided needs to comply with the Code of Conduct or appropriate explanation needs to be provided on a per mortgage basis. The calculation of the maximum loan capacity is based on an annuity test, an interest rate determined quarterly by the Contactorgaan Hypothecaire Financiers and the maximum debt-to-income ratio’s (housing ratios). Currently, a minimum interest rate of 5.3% applies to mortgage loans with a floating or fixed rate of interest of up to a term of 10 years. For mortgage loans with longer fixed rate terms, the actual mortgage rates are to be used, with a current minimum of 5.3%. Based on this interest rate and the duration of the loan a monthly annuity is calculated. The total annuity payments per year should be less than the maximum housing ratio (i.e. compliant with the annuity test). The Code of Conduct also dictates when it is allowed to deviate from this annuity test in order to test with the real mortgage expenses. These cases being e.g. a loan to value below 100%, or a fixed interest rate term of 10 years or more.

In case of a dual income household, the housing ratio is determined by the higher of the two incomes. In order to meet the underwriting criteria, the maximum acceptable housing ratio ranges between 18% and 41%, depending of the income of the borrower; the higher the income, the higher the maximum housing ratio.

Income

A vast majority of borrowers under mortgage loans receive income from paid employment. For most other borrowers under mortgage loans, the income is generated from self-employed activity, pensions, social benefits or alimony. The income components are stipulated in the protocol. A check on the income is conducted by requesting salary statements and a recent employer's declaration. Self-employed persons have to comply with predefined ratings from an internal rating model and/or have to submit full annual accounts (including an auditor's report or sign-off) for the business over the past three years. A director/majority shareholder is regarded as self-employed.

National Credit Register (BKR)

A check is completed on every borrower under a mortgage loan with the BKR. A negative credit registration on the borrower's name will, in principle, lead to a rejection of the mortgage request.

Collateral

To determine the foreclosure value of the property either a valuation or a WOZ value statement may be used (which is a value statement of the property by the Dutch Tax authorities).

In case that a valuation report is required, the valuation will have to be carried out by a registered valuer, that is known by the relevant local branch of the Initial Originator and that is a member of a selected organisation, being either the 'Nederlandse Vereniging van Makelaars' (Netherlands Association of Real Estate Brokers), the 'Landelijke Makelaars Vereniging' (National Real Estate Brokers' Association), the 'Vereniging van Registrervastgoed Taxateurs', the 'Vereniging Bemiddeling Onroerend Goed', and the 'Registratie Makelaars-taxateurs', or which is registered with either “Stichting VastgoedCert, kamer Wonen” or with “Stichting Certificering VBO-Makelaars”. The registered valuer must be independent and may (therefore) not take part in the purchase or sale of the relevant property and must operate in the area in which the property is located.

A valuation report will be required:

- (i) if a mortgage loan is intended to have the benefit of a NHG Guarantee;
- (ii) in case of a newly built property, provided that the principal amount of the mortgage loan exceeds € 750,000; and
- (iii) in case of an owner-built property,

In all other cases, a WOZ value statement may be used. If a WOZ value statement is used, the foreclosure value of a property is defined as a certain percentage of the WOZ value, being as of 26 February 2008 100%.

A valuation report or WOZ value statement that is not older than 12 months and that adheres to all other criteria set by the Initial Originator, is deemed acceptable.

The maximum principal amount outstanding under a mortgage loan varies between 100% and 125% of the foreclosure value of the property. The foreclosure value is approximately 90% of the market value of the property.

Other underwriting conditions

Apart from the principal underwriting factors set out above, the following conditions apply: (i) mortgage loans are granted only to individuals, (ii) the relevant owners assume joint and several liability for the mortgage receivable and (iii) mortgage loans are granted on the borrower's own residential property only.

Mortgage Analysis Program

First manual checks are performed against the BKR and the EVA (*Externe Verwijzings Applicatie*) database verifying the amount of other outstanding credit lines in the name of the borrower and whether the borrower has been registered on a fraud list. The mortgage calculations are processed through a proprietary software mortgage analysis tool called HAF (*Hypotheek Aanvraag Formulier*), which also calculates the maximum mortgage loan amounts that can be advanced. Once the mortgage loans have been approved, the mortgage loan offer software (*PFA/PFO*) will generate the approved mortgage loan offer. Certain mortgage loans that are not approved in first instance (e.g. due to the loan amount requested or applications that do not comply with the standard protocols) can be approved manually on two levels, depending, among other things, on the amount of the mortgage loan requested. Periodically, internal audit checks are conducted to determine whether the mortgage loans are granted in conformity with the Initial Originator's origination criteria applying to mortgage loans. Approved and accepted mortgage loans are administered in 'HY', the mortgage loan administration system.

Acceptance

Before final acceptance of a mortgage loan by a borrower, a check is performed on whether the borrower has met all the pre-conditions stated in the mortgage offer. After acceptance, the final terms of the mortgage deed are sent to the civil law notary. The civil law notary can only make the relevant advances (paid to it by the relevant Originator) to the borrower after the mortgage deed has been signed.

Insurance

A borrower is required to take out insurance in respect of the property against risk of fire and other accidental damage for the full restitution of the value thereof.

Security

Each mortgage loan is secured by a first priority right (*eerste in rang*) or a first and sequentially lower priority right of mortgage in the form of a notarial deed, which is duly registered at the land register (*Kadaster*). When a mortgage deed is first presented for registration an entry to this effect is made in the land register. The first entry in the land register establishes priority over any subsequent claims, encumbrances and attachments, in respect of the relevant property. The Bank accepts in principle a second (and sequentially lower) mortgage right if the first entry of a mortgage right is made in the name of the Bank. In certain limited circumstances, the Bank accepts a second ranking right of mortgage where a first ranking right of mortgage has already been registered in the name of a third party whereby additional conditions will apply to the relevant mortgage loan (e.g. a higher interest rate and a lower maximum principal loan amount).

SERVICING

Introduction

The Servicer is responsible for the mortgage administration of the Dutch business units of the Initial Originator and Postbank, including the non-commercial contacts with the clients. Currently, the Servicer provides mortgage administration services for approximately 700,000 mortgage loan parts, amounting to approximately €87 billion, of which more than €48,5 billion are mortgage loans of the Initial Originator. The Servicer has offices located in Amsterdam, Leeuwarden, Rotterdam, Zwolle and Eindhoven. The Servicer undertakes arrears management for all Dutch ING mortgage labels, including Nationale-Nederlanden, RVS, RegioBank and Westland Utrecht Hypotheekbank, whereas the Servicer's arrears management is being carried out in Amsterdam.

Mortgage administration

Following the granting of the loan and the creation of the mortgage, the normal administration of the mortgage loan in 'HY' commences. The Servicer's portfolio administrative control is divided into collection procedure, administration, administrative control of arrears, technical administrative control, interest rate reviews and file creation.

Interest collection

For the vast majority of the mortgage loans, interest is collected by a direct debit account. Each month, the mainframe automatically calculates the amount of interest due. The interest on loans originated by the Initial Originator is collected in arrear on the first business day of each month. The interest received is recorded in each borrower's ledger account. From then on, all payments per borrower are automatically recorded under each operating entity. This automated process has a very low fail rate. Failure can be caused by a change in bank account of the borrower without the Servicer being notified or an insufficient balance on the bank account to satisfy the payment. The Servicer has no recollection facilities. The borrower will receive a first reminder on the fifteenth day following an unsuccessful automatic collection.

Arrears management

If a borrower fails to meet his payment obligations, the local office of the Initial Originator which originated the loan will manage the arrears administrative procedure for the first 60 days. After a period of 60 days the file is transferred to the central arrears management departments. The arrears management activities globally consist of two phases. In the first phase, the goal is to re-instate the normal payment pattern and to retain the customer. In this phase, contact is made with the borrower and possibly with the employer of the borrower. The borrower receives personal attention by a team that has, on average, more than 5 years of experience in arrears management.

The second phase consists of preventing losses and/or liquidation where the goal is to control risk, with the intent to maximise collections. A final effort can be made to re-instate the payment pattern. Priority is given to urge customers to voluntarily sell the collateral (private sale), a process that is co-ordinated by arrears management and an estate agent to maximise the recoveries. Foreclosure occurs if and when the borrower is unwilling or unable to sell the property voluntarily or the borrower cannot be located. In this case, active attention is given to the foreclosure procedure in order to maximize revenues.

However, the procedure can be adjusted to reflect risk considerations. The arrears administrative control procedure is as follows:

- (a) The amount to be debited will be updated according to the payments due at that date; premium, penalty, interest and repayments. In this direct debit procedure the outstanding amounts to be collected are credited in the following order: first, premium (insurance, investment and/or savings), second, penalty payment, third, interest and finally, repayment.
- (b) During the first 60 days the local office contacts the debtor mostly by phone and sometimes by sending letters. The office is allowed to make payment settlements as long as the arrears remain less than 60 days. After 60 days and being unsuccessful the file is transferred to the arrears management department.
- (c) If, 59 days after the due date, payment has still not been received, a notice is sent out to the debtor consisting of a status update that specifies the due amount (premium, interest and repayment) including the penalty payment. This status update will be re-sent on a monthly basis. The borrower will be subjected to a test in BKR to check for other outstanding debts. At this stage an arrears management employee becomes directly involved.

- (d) After 65 days a letter is sent to the borrower. In this letter the borrower is informed of the arrears, the amount that is due and that if after 120 days the payment has not been received arrears management will make a notification to the BKR.
- (e) If, 70 to 75 days after the due date, payment has still not been received, telephone contact is established between the assigned arrears administrator and the borrower. Based on this contact, a plan is made for the special intensive arrears administration which gets entered into the system.
- (f) If, more than 80 days after the due date payment still has not been received, the arrears management employee can amongst others send a stronger letter, send a field employee to the borrower, make an attachment of earnings, call the employer and discuss a voluntary attachment of earnings. Actual steps taken are decided upon on a case-by-case basis.
- (g) If no payment has been received 120 days after the due date, the borrower is reported to the BKR.
- (h) After 127 days, further efforts will be made to return to normal payment behaviour of the client. The type and frequency of the contact can differ for each borrower.
- (i) After 150 days a valuation report is made on behalf of arrears management. If necessary a valuation report can be made at an earlier stage.
- (j) If the borrower still has not paid or reacted, the file is transferred to a senior arrears management employee (B / C employee). Getting the borrower back to perform is not excluded at this stage, but the emphasis shifts to minimizing the credit losses. In specific more risky situations the file will be transferred to such employee at an earlier stage not to unnecessarily delay the (foreclosure) process.
- (k) During the period in which arrears on payments have occurred, an effort is always made to find an acceptable solution to the arrears for both the borrower and the Initial Originator. This typically happens within the notice period of 8 months, however, at a maximum of 14 months delinquency.

Foreclosure procedures

If a borrower fails to comply with the agreed payment schemes, or if it is clear that there is no prospect of the interest, principal and/or premium arrears being paid in the near future, the borrower's file is handed over to the intensive arrears management department to initiate foreclosure. The directive within the Servicer is that this does not take place later than six months after the date of the second monthly payment in arrear. Foreclosure on the property is only undertaken if the intensive arrears management department determines that there is no prospect of a foreseeable solution.

The Initial Originator has the right to publicly sell (auction) the mortgaged property if the borrower remains in breach of its obligations and no other arrangements are made. As a first ranking mortgagee, the Initial Originator does not have to obtain court permission prior to foreclosing on the mortgaged property. If the proceeds from the sale (auction) of the mortgaged property do not fully cover the Initial Originator's claims, the Initial Originator may also sell any pledged insurance policy or deposit. However, after giving such notification, Dutch law requires that before a lender can foreclose on a borrower's mortgaged property, the borrower must be notified in writing that it is in default and must be given reasonable time to comply with the lender's claims.

In the case of a borrower's bankruptcy, the Initial Originator may foreclose on the borrower's property as if there was no bankruptcy. Nevertheless, foreclosure must take place within a reasonable time. Failing this

deadline could cause the bankruptcy trustee to take over the foreclosure proceedings. If this occurs, the Initial Originator must contribute to the general bankruptcy costs.

If the Initial Originator decides to sell the property, it is required to notify the parties directly involved, including the borrower as well as the person owning the asset (in the event that these are not the same parties). The notification must include the amount outstanding and the expenses incurred to date as well as the name of the civil notary responsible for the foreclosure sale.

Prior to foreclosure, the Initial Originator will calculate the best method of maximizing the sale value of the mortgaged property. Based on this calculation, the Initial Originator may decide that the property should be sold either in a private sale or by public auction. A private sale can, and often does, replace a public auction, provided that the legal requirements are fulfilled (which include obtaining permission from the relevant district court for the private sale). When notification of foreclosure is made by the Initial Originator, formal instructions are given to a (dedicated) civil law notary. The date of the sale will be set by the civil law notary within, in principle, three weeks of this instruction and will usually be approximately six weeks after the decision to foreclose has been made (depending on the region and the number of other foreclosures being handled by the relevant district court at the time).

The distribution of the foreclosure proceeds depends on whether there is only one mortgage holder or whether there are several. If there is one mortgage holder, the proceeds will be distributed to the mortgage holder after deducting the costs of foreclosure. In the case of more than one mortgage holder, the distribution of proceeds takes place according to the priority of the mortgages.

In general, it takes on average two to four months to foreclose on a property once the decision to foreclose has been made. Throughout the foreclosure process, the Initial Originator follows the requirements set forth in the laws of Netherlands and its so-called Intensive Arrears Management Manual.

In the auction the Initial Originator's employees from arrears management are present. Their goal is to ensure that the beforehand determined minimum price is achieved. That includes active bidding in the auction. If at the end of the auction the Initial Originator's employee is the highest bidder, then the Initial Originator is the owner of the property. For this purpose a purchase company is established. This full subsidiary of ING Bank N.V. called JUZA, aims to sell the property again on a cost-covering basis within a period of 6 months. This period of 6 months allows the JUZA to ask for a refund of the 6% transfer tax (overdrachtsbelasting)

Outstanding amounts

If a residual debt remains after foreclosure, the borrower concerned remains liable for this residual. A collection agency is brought in to determine whether the claim can be collected. In principle, a new payment scheme is arranged for the residual debt. If the borrower does not wish to agree to a payment scheme or does not comply with an agreed payment scheme, other measures can also be taken, including distraint of the borrower's salary. These measures also include the engagement of a bailiff.

Fraud desk

All banks in the Netherlands have a working relationship with respect to mortgage loan fraud through the Dutch Association of Banks (Nederlandse Vereniging voor Banken). A national fraud desk (Counter Hypotheken Fraude) has been established through which all the banks notify each other of possible fraud cases. Within the Initial Originator, a Fraud Desk has been established for all mortgage loans. All known fraud cases are registered in an internal and external verification system that identifies fraudulent borrowers. Each new mortgage loan application is automatically run through this register. Additionally, new names added to the register are automatically cross checked within the existing mortgage loans of ING.

The Servicer actively manages mortgage fraud by giving anti-fraud presentations to all parties involved in the origination process (i.e. different departments of the Servicer and the different originating labels of ING). In addition, a fraud site has been created on the intranet within the Initial Originator, including a checklist of indicators for fraud. Employees are well trained on the different aspects of possible fraud. All suspicious applications are screened and if necessary sent to the special fraud desk.

In case of the detection of fraud in respect of an existing mortgage loan, the policy of the Initial Originator is to accelerate the mortgage loan concerned and report the borrower to the police. The official reporting route of this procedure is undertaken in close cooperation with ING's Prevention and Security Team.

ING Service Center Hypotheken

ING Service Center Hypotheken B.V. ("ING SCH") provides mortgage administration services for the Dutch business units of ING Groep N.V. and handles the non-commercial contacts with the clients with respect to mortgages.

ING SCH is a 100 per cent subsidiary of ING Support Holding B.V., which in turn is a 100 per cent subsidiary of ING Groep N.V. ING SCH started its activities on 1 January 2002. ING SCH originated from the mortgage administration departments of the Initial Originator, Nationale Nederlanden, RVS, Postbank, Regio Bank and Westland Utrecht Hypotheekbank. ING SCH is located in Amsterdam, Leeuwarden, Rotterdam, Zwolle and Eindhoven.

In the context of the covered bond programme, ING SCH is able to identify specific loan pools based on underwriting criteria as instructed by its clients and provides the Issuer Administrator access to pool information and performance.

3.7 SUB-PARTICIPATION

Under each “Master Sub-Participation Agreement” entered into between the CBC, the relevant Participant, the relevant Originator and the CB Trustee, the CBC grants the relevant Participant a Participation in each relevant Savings Receivable, in return for the on-payment by the Participant of the relevant Savings and Accrued Savings Interest, as follows.

Participation

First, the Participant undertakes to pay to the CBC for each Relevant Receivable:

- (a) on the Participation Date: an amount equal to the Initial Settlement Amount as at such Participation Date for such Relevant Receivable; and
- (b) on each subsequent CBC Payment Date an amount equal to: a Further Settlement Amount for such Relevant Receivable, unless as a result of such payment the Participation in respect of such Relevant Receivable would exceed the Gross Outstanding Principal Balance of such Relevant Receivable at such time, in which case only such amount shall be paid as is necessary for such Participation (which includes Accrued Increases) to reach such Gross Outstanding Principal Balance.

In return, in relation to each Relevant Receivable, the CBC undertakes to pay to the Participant on each CBC Payment Date, the Redemption Amount, if any, received by the CBC in respect of such Relevant Receivable since the preceding CBC Payment Date.

If a Borrower invokes any defence purporting to establish that he may deduct an amount from the Relevant Receivable based on any default by the Participant in the performance of any of its obligations under the relevant insurance policy and, as a consequence thereof, the CBC will not have received such amount in respect of such Relevant Receivable, then such amount will be deducted from the relevant Participation.

Enforcement Notice

If a CBC Acceleration Notice is served by the CB Trustee on the CBC, then the CB Trustee may and, if so directed by the Participant, shall on behalf of the Participant by notice to the CBC:

- (a) terminate the obligations of the Participant under the Master Sub-Participation Agreement; and
- (b) declare the Participations to be immediately due and payable, provided that such payment obligations shall be limited to the aggregate Redemption Amount received by or on behalf of the CBC or the CB Trustee under the Relevant Receivables.

Sale of Relevant Receivable

If a Relevant Receivable is sold by or on behalf of the CBC to the relevant Originator or a third party pursuant to the CB Trust Deed or the Asset Monitor Agreement, then the CBC will (apart from, for the avoidance of doubt, paying the Redemption Amount in respect of such Relevant Receivable in accordance with the relevant Master Sub-Participation Agreement), if so requested by the Participant, use reasonable endeavours to ensure that the acquirer of the Relevant Receivable will enter into a master sub-participation agreement with the Participant in a form similar to the relevant Master Sub-Participation Agreement.

Priorities of Payments

Unless and until:

- (a) both an Issuer Acceleration Notice and a Notice to Pay are served; or
- (b) a CBC Acceleration Notice is served,

any amount expressed to be payable by or to the CBC under the relevant Master Sub-Participation Agreement shall instead be payable by or to the Global Issuer in accordance with the Pre-Notice-to-Pay Priority of Payments.

The Post-Notice-to-Pay Priority of Payments will be funded by Available Revenue Receipts and Available Principal Receipts. When calculating the relevant Principal Receipts, certain deductions will be made by reference to the relevant Redemption Amounts, which deducted amounts will not be applied in accordance with the Post-Notice-to-Pay Priority of Payments, but will be credited to the Participation Ledger and be paid to the relevant Participants in accordance with the CB Administration Agreement and the relevant Master Sub-Participation Agreement. When calculating the relevant Revenue Receipts, certain deductions will be made by reference to the relevant Participation Fractions, with a view to the relevant Increases in the relevant Participations. The equivalent of such Increases is in turn treated as a Principal Receipt, for application in accordance with the Post-Notice-to-Pay Priority of Payments.

Likewise, the Post-CBC-Acceleration-Notice Priorities of Payments will not be funded by amounts which have been received by or on behalf of the CBC and which are required to be credited to the Participation Ledger and paid to Participants on account of Redemption Amounts.

Further Master Transfer Agreement

As described in category 4 of the Deduction Risk description (see paragraph 4.3 (*Master Transfer Agreement*)), provided that no Notification Event has occurred, a Master Sub-Participation Agreement may, if it concerns an MTA Receivable, be combined with a Further Master Transfer Agreement.

The relevant Originator and the CBC shall use reasonable endeavours to procure that under a Master Sub-Participation Agreement, the CBC shall be entitled to effect, where reasonably possible and without prejudice to the provisions of the Trust Deed, any payments to the Participant under such Master Sub-Participation Agreement or any Further Master Transfer Agreement entered into between the Participant and the CBC by way of set-off, including, without limitation, the payment of any Redemption Amount under such Master Sub-Participation Agreement and any purchase price due by the CBC to the Participant under any such Further Master Transfer Agreement, which will be set-off against the obligation of the Participant to pay amounts due under such Master Sub-Participation Agreement or any Further Master Transfer Agreement to the CBC.

Each Originator undertakes in the Guarantee Support Agreement to use reasonable endeavours to procure that upon the occurrence of a Notification Event, a Master Sub-Participation Agreement is, or is put, in place between the relevant insurer and the CBC and signed for acknowledgement by the relevant Originator in relation to Savings Receivables, including MTA Receivables.

In relation to a Participation:

“Accrued Savings Interest” means the sum of the Monthly Interest for all months from the date on which the first Savings were received;

“Accrued Increases” means the sum of the Increases for all months from the Participation Date;

“Further Settlement Amount” means an amount equal to the Savings received by the Participant in the preceding month;

“Increase” means for any month:

(the Participation Fraction x I) + FSA,

where (i) “I” means the amount of interest actually received by or on behalf of the CBC from the relevant Borrower in such month and (ii) “FSA” means the Further Settlement Amount for such month actually received by or on behalf of the CBC;

“Initial Settlement Amount” means an amount equal to the sum of all Savings plus Accrued Savings Interest;

“Monthly Interest” means for any month:

$$\text{MIR} \times (\text{S} + \text{AI}),$$

where (i) “MIR” means the monthly interest rate applicable to the Relevant Receivable in such month, (ii) “S” means the Savings received up to the first day of such month and (iii) “AI” means the Accrued Savings Interest up to the first day of such month;

“Participation” means, in relation to a Relevant Receivable, an amount equal to the sum of (i) the Initial Settlement Amount as at the Participation Date *plus* (ii) Accrued Increases up to the Gross Outstanding Principal Balance *minus* (iii) any Redemption Amount paid by the CBC to the Participant;

“Participation Date” means the later of the Transfer Date and the date of the relevant Master Sub-Participation Agreement;

“Participation Fraction” means, with respect to a Savings Receivable, the outcome of: the relevant Participation *divided by* the Gross Outstanding Principal Balance of such Savings Receivable.

“Redemption Amount” means (i) if the full Gross Outstanding Principal Balance has been repaid or prepaid since the preceding CBC Payment Date: an amount equal to the Participation, (ii) in the case of partial (p)repayment of the Gross Outstanding Principal Balance since the preceding CBC Payment Date: the surplus, if any, of the amount received over the Net Outstanding Principal Balance up to the Participation or (iii) the amount up to the Participation received (a) pursuant to a sale or refinancing pursuant to Clause 6 (*Sale or Refinancing of Selected Assets*) of the Asset Monitor Agreement, unless the corresponding rights and obligations under or pursuant to the relevant Master Sub-Participation Agreement are transferred in connection therewith or (b) pursuant to a foreclosure on, or collection of, any Related Security, to the extent relating to the Gross Outstanding Principal Balance;

“Relevant Receivable” means the Savings Receivable to which the Participation applies; and

“Savings” means the savings part of all premiums received by the Participant from the relevant Borrower under or pursuant to the relevant insurance policy.

4. ASSET MONITORING

4.1 ASSET COVER TEST

Under the asset monitor agreement entered into between the Global Issuer, the CB Administrator, the CBC and the CB Trustee (the “Asset Monitor Agreement”) and the Guarantee Support Agreement, the CBC and the Originators, respectively, must ensure that on each Calculation Date until the service of a Notice to Pay, Issuer Acceleration Notice or CBC Acceleration Notice, the Adjusted Aggregate Asset Amount is in an amount at least equal to the euro equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on the relevant Calculation Date (the “Asset Cover Test”).

If on any Calculation Date the Adjusted Aggregate Asset Amount is less than the aggregate Principal Amount Outstanding of all Covered Bonds as calculated on the relevant Calculation Date, then the CB Administrator will notify the CBC thereof under the Asset Monitor Agreement, and the CBC will notify the Originators thereof under the Guarantee Support Agreement, and the Originators will transfer sufficient further Eligible Assets to the CBC in accordance with the Guarantee Support Agreement to ensure that the Asset Cover Test is met.

Such a breach of the Asset Cover Test will not constitute a Global Issuer Event of Default. However, it will prevent the Global Issuer from issuing any further Series, until remedied and, if it is not remedied by the immediately succeeding Calculation Date (such failure to remedy the Asset Cover Test by the next succeeding Calculation Date being a “Breach of the Asset Cover Test”) the CB Trustee will serve a Notice to Pay.

Clause 3.2 of the Asset Monitor Agreement provides that on each Calculation Date falling in the last month of a relevant quarter, the CBC (or the CB Administrator on its behalf) will procure the required Asset Percentage from each Rating Agency, or calculate, or procure the calculation of, the Weighted Average Foreclosure Frequency (“WAFF”) and the Weighted Average Loss Severity (“WALS”) (and/or such figures calculated in accordance with alternative methodologies as a Rating Agency may prescribe and/or in compliance with methodologies agreed with any Rating Agency from time to time) for the Transferred Receivables as a whole or for a random sample of the Transferred Receivables, such calculations to be made throughout or as agreed otherwise by any Rating Agency. The WAFF and WALS (or other relevant figures) so calculated will be input by the CBC (or the CB Administrator on its behalf) in one or more cashflow models provided and/or reviewed by any Rating Agency. Such models, which test the credit enhancement required in various cashflow scenarios, will indicate, on the basis of the latest WAFF and WALS figures (or other relevant figures), the Asset Percentage needed in order to provide credit enhancement to cover all such cash flow scenarios. Save where otherwise agreed with any Rating Agency, the Asset Percentage will be adjusted in accordance with the various methodologies prescribed by any Rating Agency or will otherwise be in compliance with the relevant methodologies agreed with any Rating Agency from time to time. The Global Issuer may only apply (i) an LTV Cut-Off Percentage which is higher than the then applicable LTV Cut-Off Percentage, (ii) a Relevant OMV Percentage which is higher than the then applicable Relevant OMV Percentage, or (iii) a Relevant OMV Fraction which is lower than the then applicable Relevant OMV Fraction, if the then applicable Asset Percentage has been adjusted to take into account any such application of a different percentage figure or fraction.

In an administration agreement entered into between the CBC, the Bank as administrator (the “CB Administrator”) and the CB Trustee (the “CB Administration Agreement”), the CB Administrator agrees to prepare monthly asset cover reports for the CBC including the relevant calculations in respect of the Asset Cover Test, in the form set out in Schedule 3 to the CB Administration Agreement (each an “Asset Cover Report”) and to deliver the same to the CBC and the CB Trustee two Business Days prior to each relevant

CBC Payment Date. In the CB Trust Deed, the CB Trustee agrees to, upon receipt of each Asset Cover Report, verify whether such Asset Cover Report states that the Asset Cover Test has been passed or failed and, if failed, whether the following Asset Cover Report states that the Asset Cover Test has been failed again, meaning that a Breach of the Asset Cover Test shall have occurred.

For the purposes hereof:

“Adjusted Aggregate Asset Amount” means $A + B + C + D + E - Y - Z$.

“A” means the lower of:

- (a) the sum of all Adjusted Current Balances of all Transferred Receivables. The “Adjusted Current Balance” of a Transferred Receivable is the lower of:
 - (i) the Current Balance of such Transferred Receivable minus α ; or
 - (ii) the LTV Cut-Off Percentage of the Indexed Valuation relating to such Transferred Receivable, minus β ; and
- (b) the Asset Percentage of: the sum of the Current Balance minus α of all Transferred Receivables.

“ α ” means for each Transferred Receivable the lower of its Current Balance and the sum of the following elements, to the extent applicable to it:

- (i) if it falls under category 3 or 4 of the above Deduction Risk description and it relates to a Life Loan in respect of which the related Mixed Insurance Policy is entered into by the Borrower with a Relevant Insurer: an amount calculated on the basis of a method proposed to the Rating Agencies in connection with the possible Deduction Risk;
- (ii) if it falls under category 4 of the above Deduction Risk description and it relates to a Savings Loan: an amount calculated on the basis of a method proposed to the Rating Agencies related to the Savings and Accrued Savings Interest in connection with such Transferred Receivable, provided that no amount will be deducted if and to the extent that a Master Sub-Participation Agreement is effective in relation to the relevant Transferred Receivable;
- (iii) if it falls under category 5 of the above Deduction Risk description: an amount calculated on the basis of a method proposed to the Rating Agencies in connection with the possible Deduction Risk;
- (iv) if it corresponds to a Construction Deposit: the amount of the Construction Deposit;
- (v) if it is owed by a Borrower who has also entered into a Revolving Credit Loan, an amount equal to the maximum amount that can be drawn by such Borrower from time to time under that Revolving Credit Loan;
- (vi) if it was in breach of the Receivable Warranties as of the relevant Transfer Date: such amount as is necessary to reduce its Adjusted Current Balance or Current Balance, as the case may be, to zero;
- (vii) if it is 3 months or more in arrears and it is not a Defaulted Receivable: such amount as is necessary to arrive at 30% of its Current Balance; and/or
- (viii) if it is a Defaulted Receivable: such amount as is necessary to reduce its Current Balance to zero.

“ β ” means for each Transferred Receivable the lower of (i) the LTV Cut-Off Percentage of its Indexed Valuation and (ii) α minus L. “L” means for each Transferred Receivable its Current Balance minus the LTV

Cut-Off Percentage of its Indexed Valuation provided that if the result is negative, L shall be zero and if the result exceeds α , L shall equal α .

“Asset Percentage” means 97% or such lower percentage figure as is determined from time to time in accordance with Clause 3.2 of the Asset Monitor Agreement as described above.

“LTV Cut-Off Percentage” means such percentage as is required from time to time for the Covered Bonds to qualify as 'Covered Bonds' as defined in the Capital Requirements Directive, currently being 80% for all Transferred Receivables.

“B” means the aggregate amount of all Principal Receipts on the Transferred Receivables up to the end of the immediately preceding Calculation Period which have not been applied in accordance with the CB Trust Deed.

“C” means the aggregate amount of all Transferred Collateral in cash which has not been applied in accordance with the CB Trust Deed.

“D” means the aggregate outstanding principal balance of all Transferred Collateral in Substitution Assets and accrued interest thereon which has not been applied in accordance with the CB Trust Deed. Substitution Assets will be valued on a monthly basis and be taken into account for their mark-to-market value at a discount based on a methodology proposed to the Rating Agencies.

“E” means the aggregate amount of any Sale Proceeds standing to the credit of the Pre-Maturity Liquidity Ledger.

“Y” means, if the Global Issuer's credit rating from any relevant Rating Agency falls below the minimum short term or long term rating as determined to be applicable or agreed by each relevant Rating Agency from time to time (being as at the CB Programme Date and to the extent each of them is a Rating Agency, A-1+ (short term), P-1 (short term) and AA- (long term) by S&P, Moody's and Fitch, respectively), an additional amount calculated on the basis of a method proposed to the Rating Agencies in connection with the possible set-off risk pertaining to deposits maintained by Borrowers with ING or any New Originator that engages in the business of, *inter alia*, attracting or accepting deposits (the “Deposit Amount”). The Deposit Amount will be adjusted as follows. If the outcome of A(a) is lower than A(b) as described above, the Deposit Amount will be reduced with an amount equal to A(b) minus A(a) provided that the Deposit Amount will always be at least zero. If the outcome of A(a) is higher than A(b) as described above, the Deposit Amount will be reduced with the amount of the Excess Credit Enhancement. “Excess Credit Enhancement” means the amount (if any) by which the outcome of A(b) above undercuts the outcome that would have resulted from A(b) above if an Asset Percentage as notified to the Rating Agencies had been used.

“Z” means zero as long as the Total Return Swap is in place and, if a Portfolio Test is implemented or an alternative hedging methodology is put in place, is equal to the weighted average maturity in years of all outstanding Covered Bonds multiplied by the euro equivalent of the aggregate Principal Amount Outstanding of such Covered Bonds (and in respect of those Covered Bonds not denominated in Euro, converted into Euro at the respective Structured Swap Rate) multiplied by P%, where “P” means the weighted average margin of all outstanding Covered Bonds taken into consideration the remaining life of the relevant Series minus the AIC Margin agreed in the AIC Account Agreement.

“Index” means the index of increases of house prices issued by the Land Registry in relation to residential properties in The Netherlands.

“Indexed Valuation” means at any date in relation to any Transferred Receivable secured over any Property:

- (a) where the Original Market Value of that Property is equal to or greater than the Price Indexed Valuation as at that date, the Price Indexed Valuation; or
- (b) where the Original Market Value of that Property is less than the Price Indexed Valuation as at that date, the Original Market Value plus 90% (or, if a different percentage is required or sufficient from time to time for the Covered Bonds to qualify as ‘Covered Bonds’ as defined in the Capital Requirements Directive and the Global Issuer wishes to apply such different percentage, then such different percentage) (such percentage, the “Relevant OMV Percentage”) of the difference between the Price Indexed Valuation and the Original Market Value.

“Land Registry” means the relevant Dutch land registry (*kadaster*) where the ownership of the relevant Properties together with the Mortgages and any other Adverse Claims thereon are registered.

“Original Foreclosure Value” in relation to any Property means (i) the foreclosure value (*executiewaarde*) given to that Property by (a) if available, the most recent valuation addressed to the Originator that transferred the relevant Transferred Receivable to the CBC or (b) if no valuation is available, the assessment by the Dutch tax authorities on the basis of the WOZ at the time of application by the Borrower or (ii) in respect of Property to be constructed or in construction at the time of application by the Borrower, the foundation cost of the Property (whereby ‘foundation cost’ means the aggregate of the purchase price and building contract sum and all other costs (to be) made for acquiring the Property, up to a maximum of 125% of the aggregate of the purchase price and building contract sum of the Property).

“Original Market Value” in relation to any Property means the Original Foreclosure Value divided by 0.90 (or, if a different fraction is required or sufficient from time to time for the Covered Bonds to qualify as ‘Covered Bonds’ as defined in the Capital Requirements Directive and the Global Issuer wishes to apply such different fraction, then such different fraction) (such fraction, the “Relevant OMV Fraction”).

“Price Indexed Valuation” in relation to any Property at any date means the Original Market Value of that Property increased or decreased as appropriate by the increase or decrease in the Index since the date of the Original Market Value.

4.2 PRE-MATURITY TEST

The Pre-Maturity Test will only be implemented if a Tranche of HB Covered Bonds is issued. If implemented, the Pre-Maturity Test is intended to provide liquidity for the HB Covered Bonds only when the Global Issuer's credit ratings fall below a certain level. The Pre-Maturity Test applies in addition to the Asset Cover Test. On each Business Day falling six months (or such other minimum period as may be required by a relevant Rating Agency from time to time, being as at the CB Programme Date, and to the extent each of them is a Rating Agency, six months in the case of S&P and, for as long as the Global Issuer's short-term credit rating from Fitch does not fall below F1, Fitch, and 12 months in the case of Moody's and, if the Global Issuer's short-term credit rating from Fitch falls below F1, Fitch) or less prior to the CB Final Maturity Date of any Series of HB Covered Bonds (each a "Pre-Maturity Test Date"), provided that no Notice to Pay, Issuer Acceleration Notice or CBC Acceleration Notice has been served, the CBC or the CB Administrator on its behalf will determine if the Pre-Maturity Test has been breached.

The Global Issuer will fail the "Pre-Maturity Test" on a Pre-Maturity Test Date if the Global Issuer's short-term credit rating from a Rating Agency falls below the relevant Pre-Maturity Minimum Ratings.

If on any Pre-Maturity Test Date the Pre-Maturity Test is not met, then (i) the CBC (or the CB Administrator on its behalf) shall immediately notify the CB Trustee and the Originators thereof in writing and (ii) the CBC shall use reasonable endeavours to procure:

- (a) a sale or refinancing of Selected Receivables in accordance with the Asset Monitor Agreement with an aggregate Net Outstanding Principal Balance up to at least the Required Redemption Amount of the Series of HB Covered Bonds to which such Pre-Maturity Test relates; or
- (b) a transfer of Eligible Collateral to the CBC in accordance with the Guarantee Support Agreement with an aggregate principal amount up to at least the Required Redemption Amount of the Series of HB Covered Bonds to which the Pre-Maturity Test Date relates, which shall be deemed to be the case without any such transfer if sufficient Eligible Collateral is owned by the CBC which qualifies as surplus under the Asset Cover Test; or
- (c) a guarantee in relation to the Global Issuer's obligations under the Series of HB Covered Bonds to which such Pre-Maturity Test relates, satisfactory to the Rating Agencies; or
- (d) a covered bond takeout credit facility agreement ("CBTF Agreement" with a financial institution (the "CBTF Provider"), pursuant to which the CBTF Provider will provide a covered bond takeout credit facility (the "CBT Facility") in relation to the Global Issuer's obligations under the Series of HB Covered Bonds to which such Pre-Maturity Test relates, up to the Final Redemption Amount of such Series as set out in the Asset Monitor Agreement; or
- (e) a combination of the foregoing in aggregate adding up to an amount equal to the Required Redemption Amount of the Series of HB Covered Bonds to which such Pre-Maturity Test relates.

If (1) the relevant parties have not taken the required remedial action as described above within the earlier to occur of (i) 10 Business Days from the date of notification that the Pre-Maturity Test is not met, and (ii) the CB Final Maturity Date of the Series of HB Covered Bonds to which such Pre-Maturity Test relates, such that by the end of such period, there shall be (a) an amount equal to the Required Redemption Amount of that Series of HB Covered Bonds standing to the credit of the Pre-Maturity Liquidity Ledger (after taking into account the Required Redemption Amount of all other Series of HB Covered Bonds and all Series of SB Covered Bonds which have (in the case of Series of HB Covered Bonds) their CB Final Maturity Date and (in

the case of Series of SB Covered Bonds) their Extended Due for Payment Date prior to or in the same CBC Payment Period as the CB Final Maturity Date of that Series of HB Covered Bonds) or (b) a guarantee or CBTF Agreement, in either case as described above, obtained or entered into, as the case may be, for an amount equal to the Required Redemption Amount of that Series of HB Covered Bonds or (c) a combination of (a) and (b) above and (2) at such time the Global Issuer's short-term credit rating from a Rating Agency still falls below the relevant Pre-Maturity Required Ratings, then this will constitute a "Breach of the Pre-Maturity Test" entitling the CB Trustee to serve a Notice to Pay under the CB Guarantee.

If a CBT Facility is provided in respect of a Series of HB Covered Bonds further to subparagraph (d) above, and if the Global Issuer fails to repay any amount in respect of that Series of HB Covered Bonds on the scheduled redemption date thereof, the CBC, or the CB Administrator on its behalf, will be required to draw the CBT Facility and use the proceeds therefrom to repay any amounts due to the Covered Bondholders of that Series of HB Covered Bonds. Should the CBT Facility be so drawn (or should all or any portion of the CBTF Standby Loan be used to repay principal on any Series of HB Covered Bonds), the CBTF Provider will be deemed, for all purposes under the CB Transaction Documents, to be the holder of that Series of HB Covered Bonds (such HB Covered Bonds having a Principal Amount Outstanding equal to the amounts drawn under the CBT Facility or from the CBTF Standby Loan to repay the Covered Bondholders of that Series of HB Covered Bonds) provided that the maturity date of such deemed HB Covered Bonds shall be determined by the Global Issuer, the CBC, the CB Trustee, the CBTF Provider and proposed to the Rating Agencies.

If the CBTF Provider ceases to have the Pre-Maturity Minimum Ratings at any time, the CBC (or the CB Administrator on its behalf) will be required to draw the full amount then available under the CBTF Agreement (the amount so drawn being the "CBTF Standby Loan") and deposit the same to the AIC Account which amount will be credited to the relevant CBTF Sub-Ledger of the Pre-Maturity Liquidity Ledger.

The CBTF Agreement will provide that recourse of the CBTF Provider against the CBC pursuant to the CBT Facility shall be limited to the Secured Property. If it is decided to implement a CBT Facility, the CB Transaction Documents will to the extent necessary be amended and the Base Prospectus will to the extent necessary be updated to reflect this, subject to prior consent in writing from the CB Trustee and prior notification to the Rating Agencies.

Failure by the Global Issuer to pay the full amount due in respect of a Series of HB Covered Bonds on the CB Final Maturity Date thereof will constitute a Global Issuer Event of Default.

For the purpose hereof:

"Pre-Maturity Minimum Ratings" means a short-term credit rating as determined to be applicable or agreed by each relevant Rating Agency from time to time in respect of the Global Issuer, being as at the CB Programme Date and to the extent each of them is a Rating Agency, P-1 by Moody's, A-1+ by S&P, and F1+ by Fitch.

4.3 PORTFOLIO TESTS

As an alternative to the Total Return Swap Agreement, the Global Issuer will at any time be allowed to opt for (i) implementation of portfolio tests or (ii) an alternative hedging methodology if Rating Agency Confirmation is obtained. If as a result of a rating downgrade a Swap Provider ceases to be an Eligible Swap Provider, then the CBC will be allowed to, instead of collateralisation or Swap Provider substitution, opt for implementation of portfolio tests.

If implemented, such portfolio tests (the “Portfolio Tests”) will be carried out by the CB Administrator and will be required to be met by the CBC and the Originators under the Asset Monitor Agreement on each Calculation Date. An example of a Portfolio Test is set out below, the final Portfolio Tests are subject to discussions with the Rating Agencies and may change:

- (a) the difference between the sum of $A + B + C + D + E + F + G$ and the net present value (“NPV”) of the Covered Bonds is a certain amount, where:
 - A = the NPV of any future cash flows (interest, principal and any other payments such as prepayment penalties) resulting from the Net Outstanding Principal Balance of the Transferred Receivables;
 - B = the amount of any receipts (interest, principal and any other payments such as prepayment penalties) on the Net Outstanding Principal Balance of the Transferred Receivables up to the end of the immediately preceding Calculation Period which have not been applied as at the relevant Calculation Date in accordance with the CB Trust Deed;
 - C = the outstanding principal balance of any Transferred Collateral other than Substitution Assets;
 - D = The NPV of any future cash flows (interest, principal and any other payments) resulting from the Substitution Assets (and any interest accrued thereon);
 - E = without double counting, any other cash or deposits held by the CBC;
 - F = the mark-to-market value of any Structured Swaps that are entered into by the CBC; and
 - G = the mark-to-market value of any Interest Rate Swaps that are entered into by the CBC;
- (b) the difference in Basis Point Duration between the sum of $A + B + C + D + E + F + G$ and the Covered Bonds is not more than a certain percentage; and
- (c) the difference in Basis Point Duration between the sum of $A + B + C + D + E + F + G$ for that Term Point and the Covered Bonds is not more than a certain percentage, where the following Term Points can be defined:
 - 1 to 3, 4 to 6, 7 to 9 and 10 to 12 months; and
 - 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 15, 20, 25, 30 years.

A breach of a Portfolio Test will not constitute a Global Issuer Event of Default but will prevent the Global Issuer from issuing any further Series until remedied and, if not remedied by the immediately succeeding Calculation Date will constitute a “Breach of Portfolio Test” and will entitle the CB Trustee to serve a Notice to Pay.

For the purpose hereof:

“Basis Point Duration” means the percentage change in net present value of a financial asset due to the change of one basis point in the relevant interest rate.

4.4 AMORTISATION TEST

Under the Asset Monitor Agreement and the Guarantee Support Agreement, the CBC and the Originators, respectively, must ensure that on each Calculation Date following service of a Notice to Pay (but prior to service of a CBC Acceleration Notice), the Amortisation Test Aggregate Asset Amount is in an amount at least equal to the euro equivalent of the aggregate Principal Amount Outstanding of the Covered Bonds as calculated on the relevant Calculation Date (the “Amortisation Test”).

If on any Calculation Date following the service of a Notice to Pay the Amortisation Test is not met, then that shall constitute a “Breach of the Amortisation Test” and the CBC (or the CB Administrator on its behalf) shall immediately notify the CB Trustee thereof, and the CB Trustee shall be entitled to serve a CBC Acceleration Notice under the CB Conditions.

For this purpose:

“Amortisation Test Aggregate Asset Amount” means $A + B + C - Z$.

“A” means the sum of all Amortisation Test Current Balances of all Transferred Receivables. The “Amortisation Test Current Balance” of a Transferred Receivable is the lower of:

- (i) the Current Balance of such Transferred Receivable minus α ; or
- (ii) the LTV Cut-Off Percentage of the Indexed Valuation relating to such Transferred Receivable, minus β .

“ α ” means for each Transferred Receivable the lower of its Current Balance and the sum of the following elements, to the extent applicable to it:

- (i) if it falls under category 3 or 4 of the above Deduction Risk description and it relates to a Life Loan in respect of which the related Mixed Insurance Policy is entered into by the Borrower with a Relevant Insurer: an amount calculated on the basis of a method proposed to the Rating Agencies in connection with the possible Deduction Risk;
- (ii) if it falls under category 4 of the above Deduction Risk description and it relates to a Savings Loan: an amount calculated on the basis of a method proposed to the Rating Agencies related to the Savings and Accrued Savings Interest in connection with such Transferred Receivable, provided that no amount will be deducted if and to the extent that a Master Sub-Participation Agreement is effective in relation to the relevant Transferred Receivable;
- (iii) if it falls under category 5 of the above Deduction Risk description: an amount calculated on the basis of a method proposed to the Rating Agencies in connection with the possible Deduction Risk;
- (iv) if it corresponds to a Construction Deposit: the amount of the Construction Deposit;
- (v) if it is owed by a Borrower who has also entered into a Revolving Credit Loan, an amount equal to the maximum amount that can be drawn by such Borrower from time to time under that Revolving Credit Loan;
- (vi) if it was in breach of the Receivable Warranties as of the relevant Transfer Date: such amount as is necessary to reduce its Adjusted Current Balance or Current Balance, as the case may be, to zero;
- (vii) if it is 3 months or more in arrears: such amount as is necessary to arrive at 30% of its Current Balance and/or

- (viii) if it is a Defaulted Receivable: such amount as is necessary to reduce its Current Balance to zero.

“ β ” means for each Transferred Receivable the lower of (i) the LTV Cut-Off Percentage of its Indexed Valuation and (ii) α minus L. “L” means for each Transferred Receivable its Current Balance minus the LTV Cut-Off Percentage of its Indexed Valuation provided that if the result is negative, L shall be zero and if the result exceeds α , L shall equal α .

“B” means the amount of any cash standing to the credit of the AIC Account and the principal amount of any Authorised Investments (excluding any Revenue Receipts received in the immediately preceding Calculation Period).

“C” means the outstanding principal balance of any Substitution Assets. Substitution Assets will be valued on a monthly basis and be taken into account for their mark-to-market value at a discount based on a methodology provided by the Rating Agencies.

“Z” means zero as long as the Total Return Swap is in place and, if a Portfolio Test is implemented or an alternative hedging methodology is put in place, is equal to the weighted average maturity in years of all outstanding Covered Bonds multiplied by the euro equivalent of the aggregate Principal Amount Outstanding of such Covered Bonds (and in respect of those Covered Bonds not denominated in Euro, converted into Euro at the Structured Swap Rate) multiplied by P%, where “P” means the weighted average margin of all outstanding Covered Bonds taken into consideration the remaining life of the relevant Series minus the AIC Margin agreed in the AIC Account Agreement.

“Authorised Investments” means:

- (i) euro denominated government securities, euro demand or time deposits, certificates of deposit and short term debt obligations (including commercial paper) provided that (a) in all cases such investments have a remaining maturity date of 30 days or less and mature on or before the next following CBC Payment Date and the unsecured, unguaranteed and unsubordinated debt obligations of the issuing or guaranteeing entity or the entity with which the demand or time deposits are made have minimum ratings as determined to be applicable or agreed by a relevant Rating Agency from time to time, being as at the CB Programme Date and to the extent each of them is a Rating Agency, A-1 (short term) or A (long term) by S&P, F1 (short term) or A (long term) by Fitch and P-1 (short term) by Moody's and (b) the total exposure to such investments shall not exceed 20% of the (euro equivalent of the) aggregate Principal Amount Outstanding of all Covered Bonds then outstanding;
- (ii) euro denominated government securities, euro demand or time deposits, certificates of deposit and short term debt obligations (including commercial paper) provided that in all cases such investments have a remaining maturity date of 364 days or less and the unsecured, unguaranteed and unsubordinated debt obligations of the issuing or guaranteeing entity or the entity with which the demand or time deposits are made have minimum ratings as determined to be applicable or agreed by a relevant Rating Agency from time to time, being as at the CB Programme Date and to the extent each of them is a Rating Agency, A-1+ (short term) or AA- (long term) by S&P, F1+ (short term) or AA- (long term) by Fitch and P-1 (short term) by Moody's; and
- (iii) euro denominated government securities, euro demand or time deposits and certificates of deposit provided that in all cases such investments have a remaining maturity date of more than 364 days and the long term unsecured, unguaranteed and unsubordinated debt obligations of the issuing or guaranteeing entity or the entity with which the demand or time deposits are made

have minimum ratings as determined to be applicable or agreed by a relevant Rating Agency from time to time (being as at the CB Programme Date and to the extent each of them is a Rating Agency, AAA by S&P, AAA by Fitch and Aaa by Moody's) unless the ratings of the Global Issuer are downgraded below a short term or long term rating as determined to be applicable or agreed by a relevant Rating Agency (being as at the CB Programme Date and to the extent each of them is a Rating Agency, P-2 (short term) by Moody's and F1 (short term) by Fitch), in which case, such investments must have a remaining maturity date of 30 days or less and mature on or before the next following CBC Payment Date.

“Structured Swap Rate” means the currency exchange rate set out in any Structured Swap Agreement.

4.5 SALE OR REFINANCING OF SELECTED ASSETS

The Asset Monitor Agreement provides that the CBC shall sell or refinance Selected Receivables in each of the following circumstances:

- (i) prior to the service of an Issuer Acceleration Notice and a CBC Acceleration Notice, in case of a Breach of the Pre-Maturity Test in respect of any Series of HB Covered Bonds, if no other remedies have been taken to cure such breach. The proceeds from any such sale or refinancing will, in the case of each Participation Receivable after deduction of an amount equal to the relevant Redemption Amount, be credited to the Pre-Maturity Liquidity Ledger and will be applied to pay the Guaranteed Final Redemption Amount in respect of such Series of HB Covered Bonds; and
- (ii) following the service of a Notice to Pay and an Issuer Acceleration Notice, but prior to the service of a CBC Acceleration Notice, if on any date the Earliest Maturing Covered Bonds have, with respect to any Series of HB Covered Bonds only, a CB Final Maturity Date or, with respect to any Series of SB Covered Bonds only, an Extended Due for Payment Date which falls within twelve months, or such other date as the CB Trustee may approve, of such date. The proceeds from any such sale or refinancing will, in the case of each Participation Receivable after deduction of an amount equal to the relevant Redemption Amount, be credited to the AIC Account Principal Ledger and applied as set out in the Post-Notice-to-Pay Priority of Payments.

In each case the CBC will be obliged to sell or refinance Selected Receivables in the Portfolio in accordance with the Asset Monitor Agreement (as described below), subject to the rights of pre-emption enjoyed by the Originators to purchase the Selected Receivables pursuant to the Guarantee Support Agreement.

If the CBC is required to sell or refinance Selected Receivables as abovementioned, the Asset Monitor Agreement provides that the CBC shall ensure that Selected Receivables will be selected on a random basis as described in the Asset Monitor Agreement, provided that (i) subject to (ii) of this paragraph, no more Selected Receivables will be selected than are necessary for the estimated sale or refinancing proceeds to equal the Adjusted Required Redemption Amount and (ii) the aggregate Current Balance of such Selected Receivables shall not exceed the “Required Current Balance Amount”, which is calculated as follows:

$$\text{Adjusted Required Redemption Amount} \times A/B,$$

where:

“Adjusted Required Redemption Amount” means an amount equal to the euro equivalent of:

- (a) in respect of Selected Receivables being sold or refinanced pursuant to a Breach of the Pre-Maturity Test in respect of any Series of HB Covered Bonds, the Required Redemption Amount of such Series of HB Covered Bonds less amounts standing to the credit of the Pre-Maturity Liquidity Ledger that are not otherwise required to provide liquidity for any Series of HB Covered Bonds which have their CB Final Maturity Date prior to or in the same CBC Payment Period as the CB Final Maturity Date of such Series of HB Covered Bonds; or
- (b) in respect of Selected Receivables being sold or refinanced following the service of a Notice to Pay and an Issuer Acceleration Notice, but prior to the service of a CBC Acceleration Notice, pursuant to paragraph (ii) above, the Required Redemption Amount of the Earliest Maturing Covered Bonds less amounts standing to the credit of the AIC Account and the principal amount of any Authorised Investments and Substitution Assets (excluding all amounts to be

applied on the following CBC Payment Date to repay higher ranking amounts in the Post-Notice-to-Pay Priority of Payments and those amounts that are required to repay any Series of HB Covered Bonds or SB Covered Bonds, respectively, which have (in the case of Series of HB Covered Bonds) their CB Final Maturity Date or (in the case of Series of SB Covered Bonds) their Extended Due for Payment Date prior to or in the same CBC Payment Period as the CB Final Maturity Date of the relevant Series of HB Covered Bonds or the Extended Due for Payment Date of the relevant Series of SB Covered Bonds, respectively).

“A” means an amount equal to the aggregate of the Current Balance of all Transferred Receivables and the prudent market value of all other Transferred Assets.

“B” means the euro equivalent of the Required Redemption Amount in respect of all Series then outstanding.

“Required Redemption Amount” means

- (i) in respect of any relevant Series of HB Covered Bonds, the amount calculated as follows: the Principal Amount Outstanding of such Series $\times (1 + (0.005\% \times (\text{days to the CB Final Maturity Date of such Series}/365)))$; and
- (ii) in respect of any relevant Series of SB Covered Bonds, the amount calculated as follows: the Principal Amount Outstanding of such Series $\times (1 + (0.005 \times (\text{days to the Extended Due for Payment Date of such Series}/365)))$.

The CBC will offer the Selected Receivables for sale to Purchasers for the best price reasonably available but in any event for an amount not less than the Adjusted Required Redemption Amount plus, in the case of Participation Receivables, an amount equal to the aggregate Participations.

If the Selected Receivables have not been sold or refinanced (in whole or in part) in an amount equal to the Adjusted Required Redemption Amount plus, in the case of each Participation Receivable, an amount equal to the relevant Participation by the date which is six months prior to the CB Final Maturity Date of (in respect of a sale or refinancing in connection with a Breach of the Pre-Maturity Test) the relevant Series of HB Covered Bonds or (in respect of a sale or refinancing following the service of a Notice to Pay for any other reason) the CB Final Maturity Date (in respect of any Series of HB Covered Bonds only) or the Extended Due for Payment Date (in respect of any Series of SB Covered Bonds only) of the Earliest Maturing Covered Bonds (after taking into account all payments, provisions and credits to be made in priority thereto), then the CBC will (i) offer the Selected Receivables for sale for the best price reasonably available or (ii) seek to refinance the Selected Receivables on the best terms reasonably available, notwithstanding that such amount may be less than the Adjusted Required Redemption Amount plus, in the case of each Participation Receivable, an amount equal to the relevant Participation.

In respect of the sale or refinancing of Selected Receivables following service of a Notice to Pay on the CBC, in addition to offering Selected Receivables for sale to Purchasers in respect of the Earliest Maturing Covered Bonds, the CBC (subject to the rights of pre-emption enjoyed by the Originators pursuant to the Guarantee Support Agreement) is under the Asset Monitor Agreement permitted to sell a portfolio of Selected Receivables, in accordance with the provisions summarised above, in respect of other Series.

Under the Asset Monitor Agreement the CBC is also permitted to sell to Purchasers part of any portfolio of Selected Receivables (“Partial Portfolio”). Except in circumstances where the portfolio of Selected Receivables is being sold within six months of the CB Final Maturity Date of the Series of HB Covered Bonds or, as the case may be, of the Extended Due for Payment Date of the Series of SB Covered Bonds to be repaid from such proceeds, the sale price of the Partial Portfolio (as a proportion of the Adjusted Required Redemption Amount plus, in the case of each Savings Receivable to which a Participation applies,

an amount equal to the relevant Participation) shall be at least an amount equal to the proportion that the Partial Portfolio bears to the relevant entire portfolio of Selected Receivables.

The CBC will through a tender process to appoint a portfolio manager of recognised standing on a basis intended to incentivise the portfolio manager to achieve the best price for the sale or refinancing of the Selected Receivables (if such terms are commercially available in the market) to advise it in relation to the sale or refinancing of the Selected Receivables to Purchasers (except where the Originators are buying the Selected Receivables in accordance with their right of pre-emption in the Guarantee Support Agreement). The terms of the agreement giving effect to the appointment in accordance with such tender shall be approved by the CB Trustee.

In respect of any sale or refinancing of Selected Receivables following the service of a Notice to Pay and an Issuer Acceleration Notice, but prior to the service of a CBC Acceleration Notice, the CBC will instruct the portfolio manager to use all reasonable endeavours to procure that Selected Receivables are sold as quickly as reasonably practicable (in accordance with the recommendations of the portfolio manager) taking into account the market conditions at that time and the scheduled repayment dates of the Covered Bonds and the terms of the Guarantee Support Agreement and the Asset Monitor Agreement.

The terms of any sale and purchase agreement with respect to the sale of Selected Receivables or the terms of any refinancing will be subject to the prior written approval of the CB Trustee.

If Purchasers accept the offer or offers from the CBC, then the CBC will, subject to the foregoing paragraph, enter into a sale and purchase agreement with the relevant Purchasers which will require, among other things, a cash payment from the relevant Purchasers.

Any such sale or any refinancing will not include any representations or warranties from the CBC in respect of the Receivables unless expressly agreed by the CB Trustee.

After a CBC Acceleration Notice has been served on the CBC, the CB Trustee may institute such proceedings or take such action as it thinks fit against the Global Issuer and the CBC to enforce its rights under the CB Trust Deed and the Security Documents in accordance with the terms of the CB Trust Deed.

Sale of Substitution Assets

The Asset Monitor Agreement provides that the CBC (or the CB Administrator on its behalf) shall sell all Substitution Assets as quickly as reasonably practicable, subject to the pre-emption rights enjoyed by the Originators pursuant to the Guarantee Support Agreement, in each of the following circumstances:

- (i) following service of an Issuer Acceleration Notice and a Notice to Pay; or
- (ii) upon a downgrade of the Global Issuer's short term credit rating below a minimum short term credit rating as determined to be applicable or agreed by a relevant Rating Agency from time to time, being as at the CB Programme Date and to the extent it is a Rating Agency, P-2 by Moody's.

For the purposes hereof:

“Earliest Maturing Covered Bonds” means at any time the relevant Series of HB Covered Bonds or SB Covered Bonds, respectively, that has the earliest CB Final Maturity Date or Extended Due for Payment Date,

respectively, as specified in the applicable Final Terms (ignoring any acceleration of amounts due under the Covered Bonds prior to the occurrence of a CBC Event of Default).

“Participation Receivable” means a Savings Receivable to which a Participation applies.

4.6 ASSET MONITOR

Under the terms of an asset monitor appointment agreement entered into on the CB Programme Date between Ernst & Young Accountants (the “Asset Monitor”), the CBC, the CB Administrator, the Global Issuer and the CB Trustee (the “Asset Monitor Appointment Agreement”), the Asset Monitor has agreed, subject to due receipt of the information to be provided by the CB Administrator to the Asset Monitor, to conduct tests on the arithmetic accuracy of the calculations performed by the CB Administrator in respect of the Asset Cover Test and the Amortisation Test with a view to confirmation of the accuracy of such calculations.

The Asset Monitor will conduct such tests (i) in respect of the Asset Cover Test, on the CB Programme Date and the Calculation Date immediately preceding each anniversary of the CB Programme Date; and (ii) in respect of the Amortisation Test, on each Calculation Date following the service of a Notice to Pay. If the long-term unsecured, unguaranteed and unsubordinated debt obligation ratings of the Global Issuer or the CB Administrator fall below the minimum long term ratings as determined to be applicable or agreed by a relevant Rating Agency from time to time, being as at the CB Programme Date and to the extent each of them is a Rating Agency, Baa3 by Moody's, BBB+ by Fitch and BBB+ by S&P, respectively, the Asset Monitor will be required to conduct such tests in respect of the Asset Cover Test on each Calculation Date.

Following a determination by the Asset Monitor of any material errors in the arithmetic accuracy of the calculations performed by the CB Administrator such that (a) the Asset Cover Test has been failed on the applicable Calculation Date (where the CB Administrator had recorded it as being satisfied) or (b) the Adjusted Aggregate Asset Amount or the Amortisation Test Aggregate Asset Amount is misstated by an amount exceeding 1% of the Adjusted Aggregate Asset Amount or the Amortisation Test Aggregate Asset Amount, as applicable, as calculated by the Asset Monitor (as at the date of the relevant Asset Cover Test or the relevant Amortisation Test) the Asset Monitor will be required to conduct such tests for each of the four consecutive Calculation Dates thereafter.

The Asset Monitor is entitled, in the absence of manifest error, to assume that all information provided to it by the CB Administrator for the purpose of conducting such tests is true and correct and is complete and not misleading, and is not required to conduct a test or otherwise take steps to verify the accuracy of any such information. The results of the tests conducted by the Asset Monitor will be delivered to the CB Administrator, the CBC, the Global Issuer, the CB Trustee and the Rating Agencies (the “Asset Monitor Report”) in accordance with the Asset Monitor Appointment Agreement. If the calculations performed by the CB Administrator have not been performed correctly, the Asset Monitor Report shall set out the correct calculation of the Asset Cover Test or Amortisation Test, as applicable.

Under the terms of the Asset Monitor Appointment Agreement the CBC will pay to the Asset Monitor a fee per test for the tests to be performed by the Asset Monitor.

The CBC may, at any time, but subject to the prior written consent of the CB Trustee, terminate the appointment of the Asset Monitor by providing at least 30 days' prior written notice to the Asset Monitor, provided that such termination may not be effected unless and until a replacement asset monitor has been found by the CBC (such replacement to be approved by the CB Trustee provided the replacement is an accountancy firm of international standing) which agrees to perform the duties (or substantially similar duties) of the Asset Monitor set out in the Asset Monitor Appointment Agreement.

The Asset Monitor may, at any time, resign from its appointment under the Asset Monitor Appointment Agreement upon providing the CBC and the CB Trustee (copied to the Rating Agencies) with 60 days' prior written notice. If a replacement asset monitor has not been found by the CBC within 60 days of notice of resignation by the Asset Monitor, the Asset Monitor shall immediately use its best endeavours to propose a replacement (such replacement to be approved by the CB Trustee provided the replacement is an

accountancy firm of international standing) which agrees to perform the duties (or substantially similar duties) of the Asset Monitor set out in the Asset Monitor Appointment Agreement.

If a replacement asset monitor has not been found by the CBC within 30 days of the giving of notice of termination by the CBC, the Asset Monitor may identify a replacement (such replacement to be approved by the CB Trustee, provided the replacement is an accountancy firm of international standing) which agrees to perform the duties of the Asset Monitor set out in the Asset Monitor Appointment Agreement.

In the CB Trust Deed the CB Trustee agrees to, upon receipt of each Asset Cover Report, verify whether it states that the Asset Cover Test or Amortisation Test, as the case may be, has been passed or failed.

5. SERVICING AND CUSTODY

5.1 SERVICING

Pursuant to the terms of a servicing agreement entered into on the CB Programme Date between the CBC, the Initial Originator, the Bank (in its capacity as servicer, the “Initial Servicer”) and the CB Trustee (the “Initial Servicing Agreement”), the Initial Servicer has agreed to service on behalf of the CBC the Initial Portfolio and the New Receivables, unless any New Originator and the Initial Servicer agree that such New Originator or a third party servicer shall act as servicer in relation to Eligible Receivables transferred by such New Originator to the CBC subject to fulfilling the Servicer Criteria (as described below). It is expected that the Initial Servicer will, subject to the conditions set out in the Initial Servicing Agreement, initially sub-contract the performance of its duties under the Initial Servicing Agreement to either ING Bank Nederland N.V. or ING SCH.

If the Initial Servicer is to service the Eligible Receivables transferred by such New Originator, this will be provided for through an amendment to the Initial Servicing Agreement. If it is agreed that the New Originator or third party servicer will service, on behalf of the CBC, the New Receivables transferred by such New Originator to the CBC, then a servicing agreement will be entered into between such New Originator or third party servicer, as applicable, (in its capacity as servicer, the “New Servicer” and, together with the Initial Servicer and any other New Servicer, a “Servicer”), the CBC and the CB Trustee on substantially the same terms as the Initial Servicing Agreement so that each New Servicer has substantially the same rights and obligations as the Initial Servicer (each a “New Servicing Agreement” and, together with the Initial Servicing Agreement, a “Servicing Agreement”).

Each Servicer will be required to:

- (i) administer the relevant Transferred Receivables in accordance with the relevant Originator's Servicing Manual and the relevant Servicing Agreement;
- (ii) collect on behalf of the CBC and, following the occurrence of a CBC Event of Default, for the CB Trustee, all amounts due under each Transferred Receivable; and
- (iii) use all reasonable endeavours to collect all payments due under or in connection with the Transferred Receivable and to enforce all covenants and obligations of each Borrower in accordance with the Enforcement Procedures and take such action as is not materially prejudicial to the interests of the CBC and in accordance with such actions that a Reasonable Prudent Lender would undertake.

Each Servicer will have the power to exercise the rights, powers and discretions and to perform the duties of the CBC in relation to the Receivables that it is servicing pursuant to the terms of the relevant Servicing Agreement, and to do anything which it reasonably considers necessary or convenient or incidental to the administration of those Receivables.

Each Servicer will undertake to, among other things, perform the services listed below (the “Services”) in relation to those Receivables that it is servicing, and to:

- prepare a quarterly investor report for the CBC in the form set out in Schedule 3 to the Initial Servicing Agreement in respect of the Transferred Receivables (the “Quarterly Investor Report”) and to deliver the same to the CBC and the CB Trustee on each Calculation Date;

- assist the CB Administrator in the preparation of a monthly asset cover report in accordance with the CB Administration Agreement;
- keep records and books of account on behalf of the CBC in relation to the Transferred Receivables;
- notify relevant Borrowers of any change in their payments;
- assist the auditors of the CBC and provide information to them upon reasonable request;
- notify relevant Borrowers of any other matter or thing which the applicable Loan Agreement require them to be notified of in the manner and at the time so required;
- subject to the provisions of the relevant Servicing Agreement take all reasonable steps to recover all sums due to the CBC including without limitation by the institution of proceedings and/or the enforcement of any Transferred Receivable;
- to the extent permitted under applicable data protection and other laws, provide on a timely basis to the Rating Agencies all information on the Borrowers and the Loan Agreements which is reasonably required in order for the Rating Agencies to be able to establish their credit estimates on Borrowers at all reasonable times upon reasonable notice subject to the relevant Servicer being reasonably capable of providing such information without significant additional cost;
- make all calculations and render all other services required for compliance with any Further Master Transfer Agreements and Master Sub-Participation Agreements;
- take all other action and do all other things which it would be reasonable to expect a Reasonable Prudent Lender to do in administering its Loan Agreements and their Related Security; and
- act as collection agent on behalf of the CBC in accordance with the provisions of the Servicing Agreement.

The Initial Servicer will represent and warrant that it is, and covenants that it shall remain, adequately licensed under the Wft to act as consumer credit provider or intermediary and covenants to comply with the information duties towards the Borrowers under or pursuant to the Wft. Furthermore, the Initial Servicer will covenant that it shall only engage any sub-contractor with due observance of the applicable rules under the Wft. The Initial Servicer may only terminate the Initial Servicing Agreement if a New Servicer has been appointed prior to such termination which holds the requisite licences, including being duly licensed under the Wft to act as consumer credit provider or intermediary.

The Initial Servicer also undertakes that, on the Initial Servicer ceasing to be assigned a long-term unsecured, unguaranteed and unsubordinated debt obligation rating of at least the Minimum Servicer Ratings, it will use reasonable efforts to enter into a master servicing agreement with a third party within 60 days in accordance with the terms of the Initial Servicing Agreement.

The CBC will pay to the Initial Servicer a servicing fee as agreed in the Initial Servicing Agreement. Fees payable to New Servicers and/or the Initial Servicer acting as Servicer in respect of Receivables transferred by New Originators to the CBC will be determined on the date that they accede to the Programme.

“Enforcement Procedures” means the procedures for the enforcement of the Receivables undertaken by a Servicer from time to time in accordance with the relevant Originator's Servicing Manual.

“Minimum Servicer Ratings” means the minimum long term credit ratings as determined to be applicable or agreed by each relevant Rating Agency from time to time in respect of the Servicer, being as at the CB Programme Date and to the extent each of them is a Rating Agency, BBB+ by S&P, BBB by Fitch and Baa3 by Moody's.

“New Receivables” means Eligible Receivables, other than the Eligible Receivables comprised in the Initial Portfolio, which an Originator may assign and transfer, to the CBC on a Transfer Date following the First Transfer Date pursuant to the Guarantee Support Agreement.

“Servicing Manual” means the servicing and administration manuals of the relevant Originator by reference to which the relevant Servicer will service and administer the relevant Loans, Receivables, Mortgages and other security interests relating thereto, which are currently known as “*FDO Securitisiatie 2.1. Basis ontwerp securitisiatie 1.1*”, “*Handboek Hypotheken*” and “*Handboek Intensief Beheer*”, as amended, supplemented, restated or otherwise modified or replaced from time to time and which would be acceptable to a Reasonable Prudent Lender.

5.2 SERVICERS

The CBC and the CB Trustee may, upon written notice to the relevant Servicer, terminate the relevant Servicer's rights and obligations immediately if any of the following events (a "Servicer Event of Default") occurs:

- the relevant Servicer defaults in the payment of any amount due to the CBC under the relevant Servicing Agreement and fails to remedy that default for a period of 7 Business Days after becoming aware of the default;
- the relevant Servicer fails to comply with any of its other obligations under the Servicing Agreement which failure in the opinion of the CB Trustee is materially prejudicial to Covered Bondholders and does not remedy that failure within 20 Business Days after becoming aware of the failure;
- the relevant Servicer is subjected to a bankruptcy (*faillissement*), suspension of payments (*surseance van betaling*) or, if applicable, the imposition of emergency regulations (*noodregeling*) as referred to in chapter 3.5.5 of the Wft (the "Dutch Insolvency Proceedings") or any equivalent or analogous proceeding under the laws of any other jurisdiction (together with the Dutch Insolvency Proceedings the "Insolvency Proceedings"); or
- at any time it becomes unlawful for the relevant Servicer to perform all or a material part of its obligations under the relevant Servicing Agreement or the relevant Servicer ceases to be duly licensed to act as consumer credit provider or intermediary pursuant to the Wft.

Subject to the fulfilment of a number of conditions, a Servicer may voluntarily resign by giving not less than 12 months' notice to the CB Trustee and the CBC provided that a substitute servicer who meets the Servicer Criteria has been appointed and enters into a servicing agreement with the CBC substantially on the same terms as the Initial Servicing Agreement, prior to such resignation becoming effective. The resignation of a Servicer is conditional on the resignation having no adverse effect on the then current ratings of the Covered Bonds unless the Covered Bondholders agree otherwise by a CB Programme Resolution.

If the appointment of a Servicer is terminated, the relevant Servicer must deliver the Borrower files and other documentation held by it relating to the Transferred Receivables administered by it to, or at the direction of, the CBC. The relevant Servicing Agreement will terminate at such time as the CBC has no further interest in any of the Transferred Receivables serviced under the relevant Servicing Agreement.

A Servicer may sub-contract the performance of its duties under the Servicing Agreement provided that it meets conditions as set out in the relevant Servicing Agreement.

Each new Servicer and any assignee or transferee of an existing Servicer will have to fulfil, among other things, the following criteria (the "Servicer Criteria"):

- (a) it has experience with and systems capable of administering portfolios of residential mortgage loans in The Netherlands, complies with Rating Agency servicer criteria and is approved by the CBC and the CB Trustee;
- (b) it enters into an agreement substantially on the same terms as the Initial Servicing Agreement;
- (c) it has all necessary consents, licences, authorities and approvals required under the laws of The Netherlands (including the Wft) which may be necessary in connection with the performance of the Services; and

- (d) the then current ratings of the Covered Bonds are not adversely affected by the appointment of the new Servicer.

5.3 CUSTODY

If Substitution Assets are transferred to the CBC, the CBC will appoint a custodian to provide custody services in relation to such Substitution Assets. The Substitution Assets will be serviced in accordance with a custody agreement to be entered into between the CBC and an eligible custodian (the “Custody Agreement”) the terms and conditions of which will be agreed with the CB Trustee.

6. SWAPS

The CBC is only permitted to enter into swap agreements with a counterparty which is permitted under Dutch law to enter into derivative contracts with Dutch residents (a “Swap Provider”) that is either (a) the Bank (which will be required to satisfy appropriate collateralisation requirements if at such time the Bank does not have the required ratings to qualify as an Eligible Swap Provider) or (b) any Eligible Swap Provider, as the case may be. All such swap agreements will be required to be either in Approved Form or in form and substance acceptable to each of the CBC, the CB Trustee and the Rating Agencies. A Global Issuer Event of Default will not constitute an event of default or a termination event under any Swap Agreement.

On the CB Programme Date, the CBC entered into the Total Return Swap Agreement and the Swap Undertaking Letter.

The Total Return Swap Agreement provides that in case of a sale or refinancing of Selected Receivables, the prospective purchaser (if such purchaser has been approved by the Swap Provider) has the option to purchase such Selected Receivables with or without the corresponding Total Return Swap. If the prospective purchaser of the Selected Receivables elects to purchase such Selected Receivables with the corresponding part of the Total Return Swap, the Total Return Swap Agreement will permit the CBC to transfer the corresponding rights and obligations thereunder to such purchaser. If the Selected Receivables are, or part thereof is, purchased or refinanced without the corresponding (part of the) Total Return Swap, the Total Return Swap will be terminated in relation to such (part of the) Selected Receivables.

Rating downgrade language acceptable to the Rating Agencies is included in the Total Return Swap and will be included in the other Swap Agreements in relation to the Swap Providers. Provisions typically include collateralisation and counterparty substitution provisions as required by the Rating Agencies. For the Total Return Swap there are provisions allowing the CBC to, instead of collateralisation or counterparty substitution, opt for implementation of Portfolio Tests. The Global Issuer also has the right to implement the Portfolio Tests at any time.

If Portfolio Tests are implemented then the Total Return Swap Agreement will be terminated. Further, if an alternative hedging methodology is put in place and Rating Agency Confirmation is obtained, then the Total Return Swap Agreement will be terminated and the CBC will be required to enter into such derivatives transactions as are required to comply with such alternative hedging methodology. If at any time:

- (A) (i) the Bank does not have the required ratings to qualify as an Eligible Swap Provider for Interest Rate Swaps or (ii) a Notification Event occurs or a Notice to Pay or CBC Acceleration Notice is served, in relation to each relevant Series of Covered Bonds, then the Bank, in accordance with the Swap Undertaking Letter, will be required to enter into Interest Rate Swap Agreements with the CBC or procure the entering into by a third party Eligible Swap Provider of (where applicable, replacement) Interest Rate Swap Agreements with the CBC, and with respect to existing or future Interest Rate Swap Agreements (to be) entered into by the Bank with the CBC, the Bank will be required to comply with any appropriate collateralisation requirements; and/or
- (B) (i) the Bank does not have the required ratings to qualify as an Eligible Swap Provider for Structured Swaps or (ii) a Notification Event occurs or a Notice to Pay or CBC Acceleration Notice is served, in relation to each relevant Series of Covered Bonds, then the Bank, in accordance with the Swap Undertaking Letter, will be required to enter into Structured Swap Agreements with the CBC or procure the entering into by a third party Eligible Swap Provider of (where applicable, replacement) Structured Swap Agreements with the CBC, and with respect to existing or future Structured Swap Agreements (to be) entered into by the Bank with the CBC, the Bank will be required to comply with any appropriate collateralisation requirements,

in each case so as to enable the CBC to hedge its exposure arising from any Series (x) denominated in a currency other than euro, (y) of Index or Share Linked Covered Bonds or (z) denominated in euro but bearing non-EURIBOR interest.

Upon the termination of a Swap Agreement, the CBC or the relevant Swap Provider may be liable to make a termination payment to the other party in accordance with the provisions of the relevant Swap Agreement. The amount of this termination payment will be calculated and made in euro.

For as long as no Notification Event has occurred and no Notice to Pay or CBC Acceleration Notice has been served, all amounts to be paid and (other than in respect of any collateral arrangements) received, respectively, by the CBC under any Swap Agreement, will be paid and received, respectively, on behalf of the CBC by the Global Issuer for its own account, *See Section 7. Cashflows* below.

For the purpose hereof:

“Approved Form” means a 1992 Multicurrency - Cross Border or 2002 ISDA Master Agreement and schedule thereto and confirmation in a form to be attached to the Swap Undertaking Letter, as amended from time to time by agreement of the CB Trustee, the CBC and the relevant Swap Provider from time to time (subject to prior receipt of a Rating Agency Confirmation in respect of any such amendment).

“Eligible Swap Provider” means a financial institution which is permitted under Dutch law to enter into derivative contracts with Dutch residents and whose unsecured, unsubordinated and unguaranteed securities are rated not lower than:

- (a) in the case of the Total Return Swap, the ratings as determined to be applicable or agreed by a relevant Rating Agency, being as at the CB Programme Date and to the extent each of them is a Rating Agency, A-1, P-1 and F1 (short term) from S&P, Moody's and Fitch, respectively and A+, A1 and A (long term) from S&P, Moody's and Fitch, respectively;
- (b) in the case of a Structured Swap, the ratings as determined to be applicable or agreed by a relevant Rating Agency, being as at the CB Programme Date and to the extent each of them is a Rating Agency, A-1, P-1 and F1 (short term) from S&P, Moody's and Fitch, respectively and A+, A1 and A (long term) from S&P, Moody's and Fitch, respectively; and
- (c) in the case of an Interest Rate Swap, the ratings as determined to be applicable or agreed by a relevant Rating Agency, being as at the CB Programme Date and to the extent each of them is a Rating Agency, A-1, P-1 and F1 (short term) from S&P, Moody's and Fitch, respectively and A+, A1 and A (long term) from S&P, Moody's and Fitch, respectively.

“Swap Agreements” means the Total Return Swap Agreement, any Interest Rate Swap Agreement(s) and any Structured Swap Agreement(s);

“Swap Provider Default” means the occurrence of an Event of Default or Termination Event (each as defined in each of the relevant Swap Agreements) where the relevant Swap Provider is the Defaulting Party or the sole Affected Party (each as defined in the relevant Swap Agreement);

“Swap Provider Downgrade Event” means the occurrence of any Additional Termination Event pursuant to Part 1(h)(v) (*First Rating Trigger Collateral*) or (h)(vi) (*Second Rating Trigger Replacement*) or 5(l) (*Rating Events*) of the Schedule forming part of the relevant Swap Agreement;

“Swap Undertaking Letter” means a letter pursuant to which the Bank, the CB Trustee and the CBC agree that the Bank shall (or procure an Eligible Swap Provider to) enter into Interest Rate Swaps and Structured Swaps either in (i) the Approved Form or (ii) in form and substance acceptable to each of the CBC, the CB Trustee and the Rating Agencies.

6.1 TOTAL RETURN SWAP

Some of the Transferred Receivables pay a variable rate of interest, sometimes linked to an index. Other Transferred Receivables pay a fixed rate of interest for a period of time. To provide a hedge between possible variances between, on a monthly basis:

- (a) the rates of interests on the various Transferred Receivables; and
- (b) EURIBOR for one month deposits,

the CBC and the Bank (in its capacity as total return swap provider, the “Total Return Swap Provider”) have entered into a swap transaction (the “Total Return Swap”) (and the CB Trustee in respect of certain provisions) (the “Total Return Swap Agreement”).

In respect of any further Eligible Receivables acquired by the CBC, the Total Return Swap Agreement ensures that the interest rate risks in respect of such further Eligible Receivables are hedged.

On each CBC Payment Date, the following payments will be made under the Total Return Swap entered into in respect of all Transferred Receivables:

- (a) the Total Return Swap Provider will pay to the CBC an amount equal to $A \times B$, where “A” equals the then Net Outstanding Principal Balance of all performing Transferred Receivables plus the balance of the AIC Account and the aggregate principal balance of the Authorised Investments and Substitution Assets and “B” equals EURIBOR for one month deposits; and
- (b) the CBC will pay to the Total Return Swap Provider an amount equal to (i) the aggregate sum of all Revenue Receipts received in respect of the Transferred Receivables during the related Calculation Period, plus (ii) the accrued interest on the AIC Account and the revenue proceeds from the Authorised Investments received by the CBC during the related Calculation Period, minus (iii) an amount equal to the product of the Swap Margin, the Net Outstanding Principal Balance of all performing Transferred Receivables on the relevant Calculation Date and the relevant day count fraction, minus (iv) an amount equal to the costs and fees paid by the CBC (or the Global Issuer on its behalf) to the Servicers during the relevant Calculation Period.

For the purposes of the foregoing:

- (i) a Transferred Receivable will be “performing” on any CBC Payment Date if it is not a Defaulted Receivable; and
- (ii) “Swap Margin” means 70 basis points or such other margin as may be agreed by the CBC and the Total Return Swap Provider under the Total Return Swap from time to time, subject to Rating Agency Confirmation.

6.2 INTEREST RATE SWAPS

Interest Rate Swaps are used to hedge mismatches between the Transferred Receivables and the Covered Bonds in the following manner.

The interest rate payable by the CBC with respect to a Series denominated in euro may bear a non-EURIBOR rate of interest. To provide a hedge against the possible variance between:

- (a) EURIBOR for one month deposits; and
- (b) the rate of interest payable by the CBC under the Euro denominated Series other than those with equity or index-linked rates of interest,

pursuant to the Swap Undertaking Letter, (i) the CBC and (ii) the Bank (where applicable in compliance with the appropriate collateralisation requirements) or the Bank will procure that a third party Eligible Swap Provider, as the case may be, (each an “Interest Rate Swap Provider”) (and (iii) the CB Trustee in respect of certain provisions) will enter into (where applicable, replacement) interest rate swap transactions (the “Interest Rate Swaps”) in relation to each relevant Series in the Approved Form or in form and substance acceptable to each of the CBC, the CB Trustee and the Rating Agencies (the “Interest Rate Swap Agreements”) if (A) at any time the Bank does not have the required ratings to qualify as an Eligible Swap Provider for Interest Rate Swaps or (B) a Notification Event has occurred or a Notice to Pay or CBC Acceleration Notice is served.

The following payments will be made under each Interest Rate Swap entered into in respect of a Series:

- (a) on each Interest Payment Date, the relevant Interest Rate Swap Provider will pay the CBC an amount equal to the aggregate Principal Amount Outstanding of such Series as at the preceding Interest Payment Date multiplied by the relevant swap rate; and
- (b) on each CBC Payment Date, the CBC will pay to the Interest Rate Swap Provider an amount equal to the aggregate Principal Amount Outstanding of such Series as at the preceding Interest Payment Date multiplied by EURIBOR for one month deposits.

If Portfolio Tests are implemented and the Total Return Swap is terminated, Interest Rate Swaps will be used to comply with the Portfolio Tests.

Pursuant to the Swap Undertaking Letter, the Bank shall (i) procure that any margin to be paid by the CBC under any Interest Rate Swap to be entered into by the CBC in accordance with the terms of the Swap Undertaking Letter, shall not exceed the then applicable Swap Margin under the Total Return Swap and (ii) bear the costs relating to the entering into of any such Interest Rate Swap.

6.3 STRUCTURED SWAPS

Structured Swaps are used to hedge mismatches between the Transferred Receivables and the Covered Bonds in the following manner.

The Transferred Receivables will be denominated in euro. However, (i) the interest payable by the CBC with respect to a Series may be denominated in a currency other than euro and/or may be equity or index-linked and/or (ii) principal under a Series may be payable in a currency other than euro.

To provide a hedge against the variance between:

- (a) (i) EURIBOR for one month deposits; and
- (ii) the euro denominated principal receipts under the Transferred Assets; and
- (b) (i) the fixed or floating rate, index or equity calculation which governs the rate of interest with respect to a Series; and
- (ii) the currency of a Series,

pursuant to the Swap Undertaking Letter, (i) the CBC and (ii) the Bank (where applicable in compliance with the appropriate collateralisation requirements) or the Bank will procure that a third party Eligible Swap Provider (each a “Structured Swap Provider”) (and (c) the CB Trustee in respect of certain provisions) will enter into (where applicable, replacement) swap transactions (the “Structured Swaps”, and together with the Interest Rate Swaps and the Total Return Swap, the “Swaps”) in relation to each relevant Series in the Approved Form or in form and substance acceptable to each of the CBC, the CB Trustee and the Rating Agencies (the “Structured Swap Agreements”) if (A) at any time the Bank does not have the required ratings to qualify as an Eligible Swap Provider for Structured Swaps or (B) a Notification Event has occurred or a Notice to Pay or CBC Acceleration Notice is served.

The following payments will be made under each Structured Swap entered into in respect of a Series:

- (a) on each Interest Payment Date, the Structured Swap Provider will pay the CBC an amount equal to the aggregate Principal Amount Outstanding of such Series as at the preceding Interest Payment Date, multiplied by the relevant swap rate;
- (b) on each CBC Payment Date, the CBC will pay to the Structured Swap Provider an amount equal to the euro equivalent of the then aggregate Principal Amount Outstanding of such Series multiplied by EURIBOR for one month deposits; and
- (c) if such Series is denominated in a currency other than euro, which means that there is an exchange of principal, on the relevant date of repayment of such Series, the CBC will pay to the Structured Swap Provider an amount equal to the euro equivalent of the aggregate Principal Amount Outstanding of such Series (as determined by the relevant swap confirmation) as at the preceding Interest Payment Date, and the Structured Swap Provider will pay the CBC an amount equal to the aggregate Principal Amount Outstanding of such Series in the currency in which such Series is denominated.

Pursuant to the Swap Undertaking Letter, the Bank shall (i) procure that any margin to be paid by the CBC under any Structured Swap to be entered into by the CBC in accordance with the terms of the Swap Undertaking Letter, shall not exceed the then applicable Swap Margin under the Total Return Swap and (ii) bear the costs relating to the entering into of any such Structured Swap.

7. CASHFLOWS

- (A) For as long as no Notification Event has occurred and no Notice to Pay or CBC Acceleration Notice has been served:
- (a) pursuant to the Guarantee Support Agreement, any proceeds from the Transferred Assets will be received and retained by the Originators for their own benefit; and
 - (b) pursuant to the CB Trust Deed, the following will apply:
 - (i) all costs and expenses of the CBC (including for the avoidance of doubt the minimum taxable profit to be deposited in the Capital Account) will be paid on behalf of the CBC by the Global Issuer for its own account, as consideration for the CBC assuming the CB Guarantee;
 - (ii) all amounts to be paid and received, respectively, by the CBC under any Swap Agreement or, if applicable, Further Master Transfer Agreement and/or Master Sub-Participation Agreement will be paid and received, respectively, on behalf of the CBC by the Global Issuer for its own account (except that any collateral to be provided by a Swap Provider following its downgrade will be delivered to the CBC irrespective of whether any Notification Event has occurred or any Notice to Pay or CBC Acceleration Notice has been served at such time and, accordingly, any payments or deliveries to be made in respect of any such collateral arrangements shall be made directly between the CBC and the relevant Swap Provider); and
 - (iii) on each CBC Payment Date, the CBC or the CB Administrator on its behalf will distribute all amounts (if any) then standing to the credit of the CBC Accounts to the Global Issuer or, if the Global Issuer is subject to an Insolvency Proceeding, any solvent Originator to the extent permitted by the Asset Cover Test. The CBC need not concern itself as to how such proceeds are allocated between the Global Issuer and the Originators.
 - (c) pursuant to the CB Trust Deed, unless and until the Global Issuer has a minimum short-term credit rating as determined to be applicable or agreed by each relevant Rating Agency from time to time, being as at the CB Programme Date and to the extent each of them is a Rating Agency, a short-term credit rating from Moody's of at least P-1, from S&P of at least A-1+ and from Fitch of at least F1, the CBC will be required to maintain a reserve fund (the "Reserve Fund") on the AIC Account which will be credited by the Global Issuer with an amount equal to the Reserve Fund Required Amount and such further amounts as are necessary from time to time to ensure that an amount up to the Reserve Fund Required Amount is credited to the Reserve Fund for as long as the above rating trigger is breached. The Global Issuer will do so as consideration for the CBC assuming the CB Guarantee.
- (B) If a Notification Event occurs or a Notice to Pay or CBC Acceleration Notice is served on the CBC:
- (a) pursuant to the Guarantee Support Agreement, the CBC shall, subject to the rights of the CB Trustee as pledgee, be entitled to receive for its own benefit all proceeds of the Transferred Assets to the extent relating to the period following such Notification Event or service of such Notice to Pay or CBC Acceleration Notice;
 - (b) pursuant to the CB Trust Deed, the following will apply:

- (i) if a Notification Event has occurred but no Notice to Pay or CBC Acceleration Notice has been served, all costs, expenses, Swaps, Further Master Transfer Agreements and Master Sub-Participation Agreements will continue to be settled on behalf of the CBC by the Global Issuer as abovementioned and all amounts standing to the credit of the CBC Accounts will continue to be distributed as abovementioned;
 - (ii) if a Notice to Pay has, but no Global Issuer Acceleration Notice or CBC Acceleration Notice has been served, all costs, expenses, Swaps, Further Master Transfer Agreements and Master Sub-Participation Agreements will continue to be settled on behalf of the CBC by the Global Issuer as abovementioned but no further amounts standing to the credit of the CBC Accounts will be distributed as mentioned under paragraph (A)(b)(iii) above;
 - (iii) if a Global Issuer Acceleration Notice and a Notice to Pay have, but no CBC Acceleration Notice has been served, the CB Administrator will apply all (1) Available Revenue Receipts and all Available Principal Receipts on behalf of the CBC in accordance with the Post-Notice-to-Pay Priority of Payments and (2) other monies standing to the credit of the CBC Accounts in accordance with the CB Administration Agreement, the AIC Account Agreement, the CB Trust Deed and any other CB Transaction Document; or
 - (iv) if a CBC Acceleration Notice has been served, all monies received or recovered by the CB Trustee or any other Secured Creditor and all monies held by or on behalf of the CBC will be applied in accordance with the Post-CBC-Acceleration-Notice Priority of Payments (other than amounts standing to the credit of the Participation Ledger or the Swap Collateral Ledger, or amounts required to be deducted pursuant to paragraph (a)(iii) of the definition of Principal Receipts, which will continue to be applied in accordance with the provisions of the CB Administration Agreement pertaining to the Participation Ledger and the Swap Collateral Ledger); and
- (c) pursuant to the CB Trust Deed, after (i) the date falling three months after the occurrence of a Notification Event pursuant to which the relevant Borrowers have been notified of the transfer of the related Transferred Receivables and have been instructed to direct any payments under such Transferred Receivables to the CBC or (ii) the date on which the CBC demonstrates that the relevant Borrowers pay the required amounts under the Transferred Receivables to the CBC, the CBC will no longer be required to maintain the Reserve Fund and any amounts standing to the credit of the Reserve Fund will be added to certain other income of the CBC in calculating the Available Revenue Receipts and applied in accordance with the relevant Priority of Payments.

For the purposes hereof:

“Available Principal Receipts” means on a Calculation Date an amount equal to the aggregate of (without double counting):

- (a) the amount of Principal Receipts received during the previous Calculation Period, *less* the equivalent of any Third Party Amounts due and payable or to become due and payable in the immediately following CBC Payment Period; and
- (b) any other amount standing to the credit of the Principal Ledger; and
- (c) all amounts in respect of principal (if any) to be received by the CBC under the CB Transaction Documents (other than the Master Sub-Participation Agreements) on the relevant CBC Payment

Date (other than any Swap Replacement Excluded Amounts and Swap Collateral Excluded Amounts); and

- (d) following repayment of any Series of HB Covered Bonds or SB Covered Bonds by the Global Issuer and/or the CBC on their CB Final Maturity Date, or Extended Due for Payment Date, respectively, any amounts standing to the credit of the Pre-Maturity Liquidity Ledger and/or Series Ledger in respect of such Series of HB Covered Bonds or SB Covered Bonds, respectively.

“Available Revenue Receipts” means on a Calculation Date an amount equal to the aggregate of:

- (a) the amount of Revenue Receipts received during the previous Calculation Period;
- (b) other net income of the CBC including all amounts of interest received on the CBC Accounts, the Substitution Assets and Authorised Investments in the preceding Calculation Period and amounts received by the CBC under the Interest Rate Swap Agreements and in respect of interest received by the CBC under the Structured Swap Agreement and the Total Return Swap Agreement on the relevant CBC Payment Date (other than any Swap Replacement Excluded Amounts and Swap Collateral Excluded Amounts);
- (c) any other amount standing to the credit of the Revenue Ledger; and
- (d) following the service on the CBC of a Notice to Pay, amounts standing to the credit of the Reserve Fund Ledger.

“Participant” means any insurer which enters into a Master Sub-Participation Agreement with the CBC and the CB Trustee, and which is acknowledged by the relevant Originator(s).

“Pre-Notice-to-Pay Priority of Payments” means the arrangement set out in paragraphs (A)(b)(i) through (iii) and (B)(b)(i) and (ii) of this section 7 (*Cashflows*).

“Principal Receipts” means:

- (a) any amount, sales proceeds, refinancing proceeds, arrears and other amount relating to principal, and any Accrued Interest and Arrears of Interest as at the Transfer Date of the relevant Transferred Receivable, received or recovered by the CBC in respect of the Transferred Receivables (i) other than any prepayment penalties, (ii) net of any relevant foreclosure costs and (iii) *less*, with respect to each Savings Receivable to which a Participation applies, an amount equal to the relevant Redemption Amount;
- (b) any Initial Settlement Amount received from any Participant under the relevant Master Sub-Participation Agreement;
- (c) an amount equal to any Increase which applies to any Participation pursuant to the relevant Master Sub-Participation Agreement; and
- (d) any on-payments of savings premium received from the relevant Originator or the relevant insurer (as the case may be) as purchase price for the relevant (part of the) MTA Receivable pursuant to the Guarantee Support Agreement in connection with a Master Transfer Agreement between that relevant insurer and that relevant Originator.

“Reserve Fund Required Amount” means an amount equal to (i) the aggregate of the Scheduled Interest due on the next following Interest Payment Date for each Series or, to the extent that an Interest Rate Swap and/or a Structured Swap has been entered into in relation to any Series, the interest component due by the CBC under each such Interest Rate Swap and/or Structured Swap in the next following CBC Payment

Period, for each such Series, all as calculated on each relevant Calculation Date, *plus* (ii) the anticipated aggregate amount payable in the next following CBC Payment Period in respect of the items referred to in paragraph (a) up to and including (d) of the Post-Notice-to-Pay Priority of Payments, as calculated on each relevant Calculation Date.

“Revenue Receipts” means:

- (a) interest, fees and other amounts received or recovered by the CBC in respect of the Transferred Receivables (i) other than the Principal Receipts and any prepayment penalties, (ii) net of any relevant foreclosure costs and (iii) *less*, with respect to interest in respect of each Savings Receivable to which a Participation applies, an amount equal to the net amount received or recovered *multiplied by* the applicable Participation Fraction; and
- (b) prepayment penalties received or recovered by the CBC in respect of the Transferred Receivables.

“Savings Receivable” means a Transferred Receivable resulting from a Savings Loan.

“Swap Collateral Excluded Amounts” means amounts standing to the credit of the Swap Collateral Ledger.

“Swap Replacement Excluded Amounts” means amounts standing to the credit of the Swap Replacement Ledger.

7.1 LEDGERS

(A) Credits to Ledgers

Pursuant to the CB Administration Agreement, the CBC (or the CB Administrator on its behalf) agreed to open, administer and maintain the following Ledgers and credit amounts thereto as follows:

- 1 A revenue ledger of the AIC Account (the “AIC Account Revenue Ledger”), to which the following euro amounts shall be credited upon deposit of the same into the AIC Account:
 - (a) all Revenue Receipts;
 - (b) all amounts of interest paid on the AIC Account;
 - (c) all amounts of interest paid in respect of any Substitution Assets or Authorised Investments;
 - (d) to the extent that any Substitution Asset or Authorised Investment is redeemed or sold, the difference (if positive) between the acquisition price thereof, on the one hand, and sale or redemption price thereof, on the other; if such difference is negative, it will be debited to the AIC Account Revenue Ledger upon completion of such redemption or sale; and
 - (e) all euro amounts (other than Swap Replacement Excluded Amounts and Swap Collateral Excluded Amounts) received by the CBC under the Swap Agreements.

If pursuant to the CB Administration Agreement a bank account is opened in a currency other than euro, the CB Administrator shall maintain a revenue ledger in respect of such foreign currency account (the AIC Account Revenue Ledger and all such foreign currency revenue ledgers, the “Revenue Ledger”). Amounts shall be credited to such foreign currency revenue ledger in the same manner as amounts are credited to the AIC Account Revenue Ledger.

- 2 A principal ledger of the AIC Account (the “AIC Account Principal Ledger”), to which the following amounts shall be credited upon deposit of the same into the AIC Account:
 - (a) all Principal Receipts, other than to the extent required to be credited to the Pre-Maturity Liquidity Ledger pursuant to a sale or refinancing of Selected Receivables pursuant to Clause 7.1.1 of the Asset Monitor Agreement;
 - (b) any amount received (other than from redemption or sale) from any Substitution Asset or Authorised Investment which is not required to be credited to the Revenue Ledger;
 - (c) the principal amount of any Transferred Collateral in the form of cash, other than to the extent required to be credited to the Pre-Maturity Liquidity Ledger pursuant to Clause 4.2.2 of the Asset Monitor Agreement;
 - (d) 100% of the aggregate acquisition price paid by the relevant Originator for the Substitution Assets, to the extent not required to be credited to the Pre-Maturity Liquidity Ledger;
 - (e) any amount to be transferred to the Principal Ledger from the Pre-Maturity Liquidity Ledger in accordance with paragraph (B).3(a) or (c) below; and
 - (f) any amount required to be transferred to the Principal Ledger from any Series Ledger in accordance with paragraph (B).5 below.

If pursuant to the CB Administration Agreement a foreign currency CBC Account is opened, the CB Administrator shall maintain a principal ledger in respect of such foreign currency CBC Account (the AIC Account Principal Ledger and all such foreign currency principal ledgers, the “Principal Ledger”). Amounts shall be credited to such foreign currency principal ledger in the same manner as amounts are credited to the AIC Account Principal Ledger.

- 3 A ledger of the AIC Account (the “Pre-Maturity Liquidity Ledger”), to which shall be credited upon deposit of the same into the AIC Account:
 - (a) all Principal Receipts pursuant to a sale or refinancing of Selected Receivables pursuant to Clause 7.1.1 of the Asset Monitor Agreement, to the extent required to be credited to the Pre-Maturity Liquidity Ledger pursuant to Clause 4.2 of the Asset Monitor Agreement;
 - (b) 100% of the aggregate acquisition price paid by the relevant Originator for the Substitution Assets that qualify as surplus under the Asset Cover Test or have been transferred to the CBC pursuant to Clause 4.2.2 of the Asset Monitor Agreement, to the extent required to be credited to the Pre-Maturity Liquidity Ledger pursuant to Clause 4.2 of the Asset Monitor Agreement; and
 - (c) up to the relevant Pre-Maturity Maximum Required Amount, any Available Revenue Receipts that are available on the basis of item (i) of the Post-Notice-to-Pay Priority of Payments, if:
 - (i) a Breach of the Pre-Maturity Test has occurred in respect of any Series of HB Covered Bonds; and
 - (ii) on any subsequent Calculation Date falling prior to the CB Final Maturity Date of such Series of HB Covered Bonds, the amount standing to the credit of the Pre-Maturity Liquidity Ledger is less than the Required Redemption Amount of such Series of HB Covered Bonds (after taking into account the Required Redemption Amount of all other Series of HB Covered Bonds and all Series of SB Covered Bonds which have (in the case of Series of HB Covered Bonds) their CB Final Maturity Date or (in the case of Series of SB Covered Bonds) their Extended Due for Payment Date prior to or in the same CBC Payment Period as the CB Final Maturity Date of that Series of HB Covered Bonds) (such amount a “Pre-Maturity Maximum Required Amount”).
- 4 For each CBTF Standby Loan drawn in respect of a Series of HB Covered Bonds, a separate sub-ledger of the Pre-Maturity Liquidity Ledger for such Series (a “CBTF Sub-Ledger”), to which the amount so drawn will be credited.
- 5 A ledger for each Series of Covered Bonds (each a “Series Ledger”), being a sub-ledger of the AIC Account or, in case a foreign currency account has been opened, a sub-ledger on such foreign currency account, to which amounts allocated to such Series of Covered Bonds in accordance with item (i) of the Post-Notice-to-Pay Priority of Payments will be credited, to the extent such amounts are not required to be credited to the Pre-Maturity Liquidity Ledger in accordance with paragraph (A).3(c) above.
- 6 A ledger of the AIC Account (the “Swap Collateral Ledger”) to which shall be credited any collateral provided by any Swap Provider not or no longer having the minimum ratings required for an Eligible Swap Provider.

- 7 A ledger of the AIC Account (the “Swap Replacement Ledger”) to which shall be credited (i) premiums received from any replacement Swap Provider upon entry by the CBC into a replacement Swap Agreement or (ii) termination payments received from any Swap Provider in respect of a Swap Agreement which has terminated.
- 8 A ledger of the AIC Account (the “Reserve Fund Ledger”) to which shall be credited all amounts received from the Global Issuer for the purpose of the Reserve Fund.
- 9 A ledger of the AIC Account (the “Participation Ledger”) to which shall be credited all Redemption Amounts deducted pursuant to paragraph (a)(iii) of the definition of Principal Receipts.

(B) Debits to Ledgers

Pursuant to the CB Administration Agreement, the CBC (or the CB Administrator on its behalf) agreed not to debit any amounts to any Ledger, except as follows:

- 1 The Revenue Ledger: in accordance with the relevant Priority of Payments.
- 2 The Principal Ledger: in accordance with the relevant Priority of Payments.
- 3 The Pre-Maturity Liquidity Ledger: if amounts are standing to the credit of the Pre-Maturity Liquidity Ledger in respect of a Series of HB Covered Bonds and:
 - (a) no Notice to Pay, Issuer Acceleration Notice or CBC Acceleration Notice has been served and the Global Issuer fully repays that Series of HB Covered Bonds on the CB Final Maturity Date thereof and all other Series of Covered Bonds which have (in the case of Series of HB Covered Bonds) their CB Final Maturity Date and (in the case of Series of SB Covered Bonds) their Extended Due for Payment Date prior to or in the same CBC Payment Period as the CB Final Maturity Date of that Series of HB Covered Bonds, then the amount standing to the credit of the Pre-Maturity Liquidity Ledger shall be transferred to the Principal Ledger unless:
 - (i) the Global Issuer is failing the Pre-Maturity Test in respect of any other Series of HB Covered Bonds, in which case the amount will continue to stand to the credit of the Pre-Maturity Liquidity Ledger in order to provide liquidity for that other Series of HB Covered Bonds; or
 - (ii) the Global Issuer is not failing the Pre-Maturity Test, but the CB Trustee decides to retain the amount on the Pre-Maturity Liquidity Ledger in order to provide liquidity for any future Series of HB Covered Bonds;
 - (b) a Notice to Pay and an Issuer Acceleration Notice have, but no CBC Acceleration Notice has, been served on the CBC, then on the CB Final Maturity Date of the Earliest Maturing Covered Bonds of any Series of HB Covered Bonds or the Extended Due for Payment Date of the Earliest Maturing Covered Bonds of any Series of SB Covered Bonds, as the case may be, the Pre-Maturity Liquidity Ledger will be debited for an amount equal to the lower of:
 - (i) the amount (in respect of principal) then due and payable on the relevant Series of Covered Bonds or, as applicable, the amount then due and payable (in respect of principal) under a Structured Swap Agreement (if applicable) in respect of the relevant Series of Covered Bonds (in both cases after taking account of any payment made by the Global Issuer in respect thereof); and

- (ii) funds standing to the credit of the Pre-Maturity Liquidity Ledger.

The funds so debited to the Pre-Maturity Liquidity Ledger shall be used by the CBC (or the CB Administrator on its behalf) on the relevant CB Final Maturity Date or Extended Due for Payment Date, as the case may be, (subject to making the requisite payment to the Structured Swap Provider) to make a payment to the CB Trustee or (if so directed by the CB Trustee) to the CB Principal Paying Agent in and towards the amount due on the relevant Series of Covered Bonds; or

- (c) there are no further Series of HB Covered Bonds outstanding, any amounts standing to the credit of the Pre-Maturity Liquidity Ledger shall be transferred to the Principal Ledger.
- 4 The CBTF Sub-Ledger: amounts standing to the credit of a CBTF Sub-Ledger in respect of a Series of HB Covered Bonds, shall be applied on the CB Final Maturity Date of such Series of HB Covered Bonds:
- (a) first, if and to the extent there are insufficient amounts standing to the credit of the Pre-Maturity Liquidity Ledger to repay the principal amount of such Series of HB Covered Bonds in full: in repayment of the remaining principal amount of such Series of HB Covered Bonds; or
 - (b) second, if any amount remains: in repayment of the relevant CBTF Standby Loan.
- 5 A Series Ledger: amounts credited to a Series Ledger will only be available to pay amounts due in respect of a Series of HB Covered Bonds on the CB Final Maturity Date thereof or in respect of a Series of SB Covered Bonds on the Extended due for Payment Date thereof under the CB Guarantee or under a Structured Swap (if applicable). If any amount remains thereafter, it will be transferred to the Principal Ledger.
- 6 The Swap Collateral Ledger: amounts may only be withdrawn (i) to return collateral to the relevant Swap Provider in accordance with the terms of the applicable Swap Agreement and collateral arrangements and (ii) following termination of the applicable Swap Agreement to the extent not required to satisfy any termination payment due to the relevant Swap Provider, (a) if a replacement Swap Agreement is to be entered into, for credit to the Swap Replacement Ledger or (b) if no Replacement Swap Agreement is to be entered into, for credit to the Revenue Ledger.
- 7 The Swap Replacement Ledger: amounts credited to the Swap Replacement Ledger will only be available to pay (i) any termination amount due to a Swap Provider in respect of a Swap Agreement which has terminated, (ii) any premium due to a replacement Swap Provider upon entry into a replacement Swap Agreement and (iii) to the extent in excess of amounts owed to Swap Providers in respect of (a) Swap Agreements which have terminated or (b) any premium payable to a replacement Swap Provider upon entry into a replacement Swap Agreement, for credit to the Revenue Ledger.
- 8 The Reserve Fund Ledger: in accordance with the relevant Priority of Payments or, if the rating trigger requiring the CBC to establish a Reserve Fund is no longer breached, to repay amounts to the Global Issuer.
- 9 The Participation Ledger: Redemption Amounts standing to the credit of the Participation Ledger will only be available to be on-paid to the relevant Participant under the relevant Participation on a CBC Payment Date.

7.2 POST-NOTICE-TO-PAY PRIORITY OF PAYMENTS

On each CBC Payment Date following the occurrence of a Global Issuer Event of Default and service of an Issuer Acceleration Notice and a Notice to Pay, but prior to the service of a CBC Acceleration Notice, the CB Administrator will apply (1) all monies standing to the credit of the CBC Accounts other than Available Revenue Receipts and Available Principal Receipts which will be applied in accordance with the CB Administration Agreement, the AIC Account Agreement, the CB Trust Deed and any other CB Transaction Document and (2) all Available Revenue Receipts and all Available Principal Receipts on behalf of the CBC in the following order of priority (the “Post-Notice-to-Pay Priority of Payments”), in each case only if and to the extent that payments or provisions of a higher priority have been made in full:

- (a) first, to the payment of all amounts due and payable or to become due and payable to the CB Trustee in the immediately following CBC Payment Period under the provisions of the CB Trust Deed (other than under the Parallel Debt), together with interest and plus any applicable VAT (or similar taxes) thereon as provided therein;
- (b) second, to the payment of (i) amounts equal to the minimum profit stated in the Dutch tax agreement obtained on behalf of the CBC to be deposited in the Capital Account from time to time and of (ii) taxes owing by the CBC to any tax authority accrued and unpaid (other than any Dutch corporate income tax in relation to the amounts equal to the minimum profit referred to under (i) above);
- (c) third, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
 - (i) any remuneration then due and payable to the CB Agents or the CB Registrar under or pursuant to the CB Agency Agreement, plus any applicable VAT (or similar taxes) thereon as provided therein; and
 - (ii) any amounts then due and payable by the CBC to third parties and incurred without breach by the CBC of the CB Transaction Documents to which it is a party (and for which payment has not been provided for elsewhere) and to provide for any such amounts expected to become due and payable by the CBC in the immediately following the CBC Payment Period and to pay or discharge any liability of the CBC for taxes;
- (d) fourth, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of:
 - (i) any remuneration then due and payable to the Servicers and any costs, charges, liabilities and expenses then due or to become due and payable to the Servicers in the immediately following CBC Payment Period under the provisions of the Servicing Agreements;
 - (ii) any remuneration then due and payable to the CB Administrator and any costs, charges, liabilities and expenses then due or to become due and payable to the CB Administrator in the immediately following CBC Payment Period under the provisions of the CB Administration Agreement;
 - (iii) amounts (if any) due and payable to the Account Bank (including costs) pursuant to the terms of the AIC Account Agreement, plus any applicable VAT (or similar taxes) thereon as provided therein;

- (iv) any amounts (including costs and expenses) due and payable to the CBC Managing Director pursuant to the Management Agreement (CBC), plus any applicable VAT (or similar taxes) thereon as provided therein; and
- (v) any amounts due and payable to the Asset Monitor (other than the amounts referred to in paragraph (i) below) pursuant to the terms of the Asset Monitor Appointment Agreement, plus any applicable VAT (or similar taxes) thereon as provided therein;
- (e) fifth, in or towards satisfaction of any amounts due and payable to the Total Return Swap Provider (including any termination payment due and payable by the CBC under the Total Return Swap Agreement but excluding any Excluded Swap Termination Amount) pursuant to the terms of the Total Return Swap Agreement to the extent not paid from the Swap Replacement Ledger or the Swap Collateral Ledger;
- (f) sixth, in or towards payment *pro rata* and *pari passu* in accordance with the respective amounts owing thereto to the extent not paid from the Swap Replacement Ledger or the Swap Collateral Ledger:
 - (i) to each Interest Rate Swap Provider, all amounts (including any termination payment due and payable by the CBC under the relevant Interest Rate Swap Agreement but excluding any Excluded Swap Termination Amount) then due to it under the relevant Interest Rate Swap Agreement, provided that the aggregate amount payable to the Interest Rate Swap Providers under this paragraph (f)(i) shall not exceed the Interest Pro Rata Amount; and
 - (ii) to each Structured Swap Provider, all amounts (including any termination payment due and payable by the CBC under the relevant Structured Swap Agreement but excluding any Excluded Swap Termination Amount) other than in respect of principal then due to it under the relevant Structured Swap Agreement, provided that the aggregate amount payable under this paragraph (f)(ii) in respect of Structured Swap Agreements relating to the same currency shall not exceed that currency's Interest Pro Rata Amount;
- (g) seventh, to pay to the CB Trustee or (if so directed by the CB Trustee) the CB Principal Paying Agent on behalf of the Covered Bondholders *pro rata* and *pari passu* Scheduled Interest that is Due for Payment or will become Due for Payment in the immediately succeeding CBC Payment Period under the CB Guarantee in respect of each Series;
- (h) eighth, to pay *pro rata* and *pari passu* according to the respective amounts owing thereto, amounts in respect of principal then due and payable to each Structured Swap Provider under the relevant Structured Swap Agreement, provided that the aggregate amount payable under this paragraph (h) in respect of Structured Swap Agreements relating to the same currency shall not exceed that currency's Principal Pro Rata Amount;
- (i) ninth, to pay to the CB Trustee or (if so directed by the CB Trustee) the CB Principal Paying Agent on behalf of the Covered Bondholders *pro rata* and *pari passu* Scheduled Principal that is Due for Payment or will become Due for Payment in the immediately succeeding CBC Payment Period under the CB Guarantee in respect of each Series;
- (j) tenth, to deposit the remaining moneys in the AIC Account for application on the next following CBC Payment Date in accordance with the priority of payments described in paragraphs (a) to (i) (inclusive) above, until the Covered Bonds have been fully repaid or provided for (such that the Required Redemption Amount has been accumulated in respect of each outstanding Series);

- (k) eleventh, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof of any Excluded Swap Termination Amount due and payable by the CBC to the relevant Swap Provider under the relevant Swap Agreement to the extent not paid from the Swap Replacement Ledger or the Swap Collateral Ledger;
- (l) twelfth, towards payment of any indemnity amount due to the Originators pursuant to the Guarantee Support Agreement and certain costs, expenses and indemnity amounts due by the CBC to the Asset Monitor pursuant to the Asset Monitor Appointment Agreement; and
- (m) thirteenth, thereafter any remaining monies will be paid to the Global Issuer or, if the Global Issuer is subject to an Insolvency Proceeding and any Originator is not subject to an Insolvency Proceeding, to any such Originator, provided that the CBC may assume that the Global Issuer and any Originator are not subject to an Insolvency Proceeding unless it has received at least five Business Days' prior written notice to the contrary from any Originator (and the CBC need not concern itself as to how such proceeds are allocated between the Originators).

For the purposes hereof:

“CBC Payment Period” means each period from (and including) a CBC Payment Date to (but excluding) the next CBC Payment Date.

“Excluded Swap Termination Amount” means, in relation to a Swap Agreement, an amount equal to the amount of any termination payment due and payable to the relevant Swap Provider as a result of a Swap Provider Default or Swap Provider Downgrade Event with respect to such Swap Provider.

“Interest Pro Rata Amount” means, on any CBC Payment Date, in respect of any Interest Rate Swap Agreement or Structured Swap Agreement, the amount (other than Excluded Swap Termination Amounts and amounts in respect of principal) due under such Interest Rate Swap Agreement or Structured Swap Agreement multiplied by $\frac{A}{B}$, where:

- (i) 'A' equals the aggregate notional amounts (denominated in euro) of all Interest Rate Swap Agreements and Structured Swap Agreements in respect of which a Swap Payment Date falls on such CBC Payment Date; and
- (ii) 'B' equals the euro equivalent of the Principal Amount Outstanding of all Covered Bonds then outstanding in respect of which an amount of interest is due on such CBC Payment Date.

“Principal Pro Rata Amount” means, on any CBC Payment Date, in respect of any principal amount due under any Structured Swap Agreement, such amount multiplied by $\frac{A}{B}$, where:

- (i) 'A' equals the aggregate principal exchange amounts (denominated in euro) under all Structured Swap Agreements in respect of which such principal exchange amounts are due on such CBC Payment Date; and
- (ii) 'B' equals the aggregate of the euro equivalent of the principal amounts due in respect of all Covered Bonds on such CBC Payment Date.

“Third Party Amounts” means any amounts due and payable by the CBC to third parties that are not provided for payment elsewhere in the relevant Priority of Payments and incurred by the CBC in the ordinary course of its business which amounts may be paid daily from moneys on deposit in the AIC Account.

7.3 POST-CBC-ACCELERATION-NOTICE PRIORITY OF PAYMENTS

Under the terms of the CB Trust Deed, each of the Secured Creditors agrees that all monies received or recovered by the CB Trustee or any other Secured Creditor (whether in the administration, liquidation of the CBC or otherwise) following the occurrence of a CBC Event of Default and service of a CBC Acceleration Notice (other than amounts standing to the credit of the Participation Ledger or the Swap Collateral Ledger, or required to be deducted pursuant to paragraph (a)(iii) of the definition of Principal Receipts, which will continue to be applied in accordance with the provisions of the CB Administration Agreement pertaining to the Participation Ledger and the Swap Collateral Ledger (as the case may be)), will be applied following the enforcement of the Security in the following order of priority (the “Post-CBC-Acceleration-Notice Priority of Payments”), in each case only if and to the extent that payments or provisions of a higher priority have been made in full:

- (a) first, in or towards satisfaction of all amounts due and payable or to become due and payable to the CB Trustee under the provisions of the CB Trust Deed (other than under the Parallel Debt) together with interest and, plus any applicable VAT (or similar taxes) thereon;
- (b) second, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof, of any remuneration then due and payable to the CB Agents or the CB Registrar under or pursuant to the CB Agency Agreement plus any applicable VAT (or similar taxes) thereon as provided therein;
- (c) third, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof, of:
 - (i) any remuneration then due and payable to the Servicers and any costs, charges, liabilities and expenses then due or to become due and payable to the Servicers under the provisions of the Servicing Agreements;
 - (ii) any remuneration then due and payable to the CB Administrator and any costs, charges, liabilities and expenses then due or to become due and payable to the CB Administrator under the provisions of the CB Administration Agreement;
 - (iii) amounts (if any) due and payable to the Account Bank (including costs) pursuant to the terms of the AIC Account Agreement, plus any applicable VAT (or similar taxes) thereon as provided therein; and
 - (iv) amounts (including costs and expenses) due to the CBC Managing Director pursuant to the terms of the Management Agreement (CBC), plus any applicable VAT (or similar taxes) thereon as provided therein;
- (d) fourth, in or towards satisfaction of any amounts due and payable to the Total Return Swap Provider (including any termination payment due and payable by the CBC under the Total Return Swap Agreement but excluding any Excluded Swap Termination Amount) pursuant to the terms of the Total Return Swap Agreement to the extent not paid from the Swap Replacement Ledger or the Swap Collateral Ledger;
- (e) fifth, in or towards satisfaction, *pro rata* and *pari passu* according to the respective amounts thereof, of any amounts due and payable to the Interest Rate Swap Providers (including any termination payment due and payable by the CBC under the relevant Swap Agreement but excluding any Excluded Swap Termination Amounts) pursuant to the respective terms of the

relevant Swap Agreements to the extent not paid from the Swap Replacement Ledger or the Swap Collateral Ledger;

- (f) sixth, in or towards satisfaction, *pro rata* and *pari passu* according to the respective amounts thereof, of any amounts due and payable to the extent not paid from the Swap Replacement Ledger or the Swap Collateral Ledger:
 - (i) to the Structured Swap Providers under the Structured Swap Agreements (including any termination payment due and payable by the CBC under the relevant Swap Agreement but excluding any Excluded Swap Termination Amounts); and
 - (ii) to the CB Trustee or (if so directed by the CB Trustee) the CB Principal Paying Agent for payment to of the Covered Bondholders *pro rata* and *pari passu* in respect of interest and principal due and payable on each Series in accordance with the CB Guarantee;
- (g) seventh, in or towards satisfaction *pro rata* and *pari passu* according to the respective amounts thereof, of any Excluded Swap Termination Amounts due and payable by the CBC to the relevant Swap Provider under the relevant Swap Agreement to the extent not paid from the Swap Replacement Ledger or the Swap Collateral Ledger; and
- (h) eighth, thereafter any remaining monies will be paid to the Global Issuer or, if the Global Issuer is subject to an Insolvency Proceeding and any Originator is not subject to an Insolvency Proceeding, to any such Originator, provided that the CBC may assume that the Global Issuer and any Originator are not subject to an Insolvency Proceeding unless it has received at least five Business Days' prior written notice to the contrary from any Originator (and the CBC need not concern itself as to how such proceeds are allocated between the Originators).

7.4 CBC ACCOUNTS

AIC Account

Pursuant to the terms of an AIC account agreement entered into on the CB Programme Date between the CBC, the Bank as account bank (in such capacity, the “Account Bank”), and the CB Trustee (the “AIC Account Agreement”), the CBC will maintain, with the Account Bank, the AIC Account:

- (a) into which are paid all amounts received by the CBC in respect of Transferred Assets; and
- (b) moneys standing to the credit of which will on each CBC Payment Date be applied by the CB Administrator in accordance with the relevant Priority of Payments.

If the short term, unsecured, unsubordinated and unguaranteed debt obligations of the Account Bank are not rated at least the Minimum Account Bank Ratings then within 30 Business Days of such occurrence either:

- (i) the AIC Account will be closed and new accounts opened under the terms of a new AIC Account Agreement substantially on the same terms as the AIC Account Agreement opened with a financial institution (i) whose short term, unsecured, unsubordinated and unguaranteed debt obligations are rated at least the Minimum Account Bank Ratings and (ii) having the regulatory capacity for offering such services as a matter of Dutch law; or
- (ii) the Account Bank will obtain a guarantee of its obligations under the AIC Account Agreement on terms acceptable to the CB Trustee, acting reasonably, from a financial institution whose short term, unsecured, unsubordinated and unguaranteed debt obligations are rated at least the Minimum Account Bank Ratings,

(in each case, provided that Rating Agency Confirmation has been obtained) unless each Rating Agency confirms that its then current rating of the Covered Bonds will not be adversely affected as a result of the short term credit ratings of the Account Bank falling below the Minimum Account Bank Ratings (or the reason for this having occurred) within 15 days of such downgrade. If the Rating Agency Confirmations are given as above, for this purpose only, reference to the “Minimum Account Bank Ratings” shall be deemed to be instead the relevant rating of the Account Bank at the time of such confirmations, but the original rating shall be reinstated if the relevant rating of the Account Bank is subsequently upgraded to the original level.

Pursuant to the AIC Account Agreement, the Account Bank has agreed to pay interest on the moneys standing to the credit of the AIC Account at specified rates determined in accordance with the AIC Account Agreement.

Foreign Currency Accounts

If a Notification Event occurs or a Notice to Pay or CBC Acceleration Notice is served, and the Global Issuer has any Covered Bonds denominated in a currency other than euro outstanding or issues such Covered Bonds at any time thereafter, the CB Administrator shall, on behalf of the CBC, establish and maintain an account in that currency and, unless otherwise specified in the CB Transaction Documents, all amounts received by the CBC in that currency shall be promptly deposited into such account.

Capital Account

The CBC also opened an account with the Account Bank into which its paid-up share capital (*gestort aandelenkapitaal*) has been deposited (the “Capital Account”). The minimum taxable profit will be deposited

in such Capital Account. No security rights are granted over the amounts standing to the credit of such Capital Account.

For the purposes hereof:

“AIC Account” means the bank account of the CBC held pursuant to the AIC Account Agreement or such additional or replacement account as may be for the time being in place with the prior consent of the CB Trustee.

“AIC Margin” means a separate margin per annum as agreed in the AIC Account Agreement.

“AIC Rate” means the rate of interest accruing on the balance standing to the credit of the AIC Account equal to the rate of EURIBOR for one-month euro deposits less the AIC Margin.

“CBC Accounts” means the AIC Account, any foreign currency account and any additional or replacement accounts opened in the name of the CBC, excluding the Capital Account.

“Minimum Account Bank Ratings” means the minimum short term credit ratings as determined to be applicable or agreed by each relevant Rating Agency from time to time in respect of the Account Bank or other relevant financial institution or institutions, being as at the CB Programme Date in respect of the Account Bank, and to the extent each of them is a Rating Agency, at least A-1+ by S&P, F1 by Fitch and P-1 by Moody's.

“Priority of Payments” means the Pre-Notice-to-Pay Priority of Payments, the Post-Notice-to-Pay Priority of Payments or the Post CBC-Acceleration-Notice Priority of Payments, as the case may be.

8. GENERAL

In addition to the below information refer to Section "General Information" of Chapter 1 of this Base Prospectus.

CB Programme Date

On the date of this Base Prospectus, the CB Programme Date has not yet occurred. However, this Base Prospectus is insofar as Covered Bonds are concerned, written as if the CB Programme Date has already occurred. Therefore, unless a contrary intention appears, this Base Prospectus should for the purpose of Covered Bonds be read and construed as if taking effect as of the CB Programme Date.

"CB Programme Date" means the date on which the CB Programme Agreement and various other CB Transaction Documents are entered into and which falls on or around the date of first issuance of Covered Bonds by the Global Issuer.

Authorisation

The giving of the CB Guarantee has been duly authorised by a resolution of the Board of Managing Directors of the CBC dated 27 September 2007.

Notices with regard to Covered Bonds

Notices with regard to the Covered Bonds will, so long as any Covered Bonds are listed on Euronext Amsterdam and Euronext Amsterdam and/or the AFM so requires, be published in the Daily Official List (*Officiële Prijscourant*) of Euronext Amsterdam and in one daily newspaper of wide circulation in The Netherlands (which is expected to be *Het Financieele Dagblad*). See also Condition 13 (*Notices*) and Condition 19 (*Terms and Conditions of Registered Covered Bonds*) of the CB Conditions.

Listing of Covered Bonds

Application has been made for Covered Bonds issued under the Programme to be admitted to Euronext Amsterdam. For so long as Covered Bonds are listed on Euronext Amsterdam there will be a paying agent in The Netherlands. The Bank of New York, in alliance with International Securities Services Netherlands has been appointed as the principal paying agent in The Netherlands.

Documents Available

During the life of this Base Prospectus, copies of the documents listed under (ii), (vii), (viii) and (xii) in the sub-section "Documents Available" of the section headed "General Information" of Chapter 1 will, when published, be available in electronic form, free of charge, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the specified office of the CB Listing Agent and the CB Principal Paying Agent.

No Action Since Incorporation CBC

Save as disclosed in this Base Prospectus, since 19 September 2007 (being the date of incorporation of the CBC), the CBC has not:

- (i) commenced operations;
- (ii) made up annual financial accounts as at the date of this Base Prospectus; or
- (iii) entered into any contracts or arrangements not being in its ordinary course of business.

Reports

The CB Trust Deed provides that the CB Trustee may rely on reports or other information from professional advisers or other experts in accordance with the provisions of the CB Trust Deed, whether or not any such report or other information, or engagement letter or other document entered into by the CB Trustee and the relevant person in connection therewith, contains any monetary or other limit on the liability of the relevant person.

Non-Petition with respect to CBC

For so long as any Covered Bonds are outstanding, each Originator has agreed that neither it nor any person on its behalf shall initiate or join any person in initiating any Insolvency Proceedings in relation to the CBC. Furthermore, the Originators have agreed among other things that it nor any person on its behalf shall have the right to take or join any person in taking steps against the CBC for the purpose of obtaining payment of any amount due from the CBC to it.

Limited Recourse against CBC

Each CB Transaction Party (as defined in the Incorporated Terms Memorandum) has agreed with the CBC that notwithstanding any other provision of any CB Transaction Document, all obligations of the CBC to such CB Transaction Party are limited in recourse as set out in the limited recourse provisions of the Incorporated Terms Memorandum.

Taxes

Each Originator will be responsible for the payment of its own tax liabilities and will be required to indemnify the CBC and the other Originators from any liabilities which they incur as a result of the relevant Originator's non-payment.

Governing Law CB Transaction Documents

All CB Transaction Documents other than the Swap Agreements will be governed by Dutch law. The Swap Agreements will be governed by English law.

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CHAPTER 22:
COVERED BONDS ISSUED BY ING BANK N.V.

The wording below replaces in its entirety the corresponding wording included in the section entitled “Chapter 22 – Covered Bonds Issued by ING Bank N.V.” in the Base Prospectus.

CHAPTER 22: COVERED BONDS ISSUED BY ING BANK N.V.

PART 1 TERMS AND CONDITIONS OF COVERED BONDS

The following are the Terms and Conditions of the Covered Bonds which will be incorporated by reference into each Bearer Global Covered Bond, Registered Covered Bonds Deed and each Bearer Definitive Covered Bond, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Global Issuer and the relevant Dealer(s) at the time of issue but, if not so permitted and agreed, such Bearer Definitive Covered Bond will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Covered Bonds may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Covered Bonds. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Bearer Global Covered Bond, Bearer Definitive Covered Bond and Registered Covered Bonds Deed.

This Covered Bond is one of a Series (as defined below) of Covered Bonds issued by ING Bank N.V. (the “Global Issuer”) pursuant to a trust deed (as amended from time to time, the “CB Trust Deed”) dated on or around the date of first issuance of Covered Bonds by the Global Issuer (the “CB Programme Date”) made between the Global Issuer, ING Covered Bond Company B.V. (the “CBC”) and Stichting Trustee ING Covered Bond Company (the “CB Trustee”).

Save as provided for in Conditions 9 (Events of Default and Enforcement) and 14 (Meetings of Covered Bondholders, Modification and Waiver) or where the context otherwise requires, references herein to the Covered Bonds shall be references to the Covered Bonds of this Series and shall mean:

- (i) in relation to any Covered Bonds represented by a global covered bond, units of the lowest Specified Denomination in the Specified Currency;
- (ii) any Temporary Global Covered Bonds, any Permanent Global Covered Bonds, any Registered Global Covered Bonds and any Registered Definitive Covered Bonds, as the case may be; and
- (iii) any Bearer Definitive Covered Bonds issued in exchange for a Permanent Global Covered Bond upon the occurrence of an Exchange Event.

The Covered Bonds and the Coupons (as defined below) have the benefit of an agency agreement (such agency agreement as amended and/or supplemented and/or restated from time to time, the “CB Agency Agreement”) entered into on the CB Programme Date between the Global Issuer, the CBC, the CB Trustee, The Bank of New York, in alliance with International Securities Services Netherlands as issuing and principal paying agent (the “CB Principal Paying Agent” and as registrar (the “CB Registrar”), the other paying agents named therein (together with the CB Principal Paying Agent, the “CB Paying Agents”, which expression shall include any additional or successor paying agent) and the other agents named therein (together with the CB Principal Paying Agents, the “CB Agents”, which expression shall include any additional or successor agent).

Interest bearing Bearer Definitive Covered Bonds have (unless otherwise indicated in the applicable Final Terms) interest coupons (“Coupons”) and, if indicated in the applicable Final Terms, talons for further Coupons (“Talons”) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Bearer Definitive Covered Bonds repayable in instalments have receipts (“Receipts”) for the payment of the instalments of principal (other than the final instalments) attached on issue. Global Covered Bonds do not have Receipts, Coupons or Talons attached on issue.

The Final Terms for this Covered Bond (or the relevant provisions thereof) are (i) in the case of a Bearer Covered Bond, attached to or endorsed on such Covered Bond or (ii) in the case of a Registered Covered Bond, attached to the relevant Registered Covered Bonds Deed, and supplement these Terms and Conditions (the “Conditions”) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of such Covered Bond. References to the applicable Final Terms are to the Final Terms (or the relevant provisions thereof) attached to or endorsed on such Bearer Covered Bond or the relevant Registered Covered Bonds Deed.

The CB Trustee acts for the benefit of the holders for the time being of the Covered Bonds (the “Covered Bondholders”, which expression shall, in relation to (i) any Covered Bonds represented by a Temporary Global Covered Bond or a Permanent Global Covered Bond or a Registered Global Covered Bond and (ii) any Registered Covered Bond, be construed as provided below) and the holders of Receipts (“Receiptholders”) and the holders of the Coupons (the “Couponholders”, which expression shall, unless the context otherwise requires, include the holders of the Talons), and for holders of each other Series in accordance with the provisions of the CB Trust Deed. Any holders mentioned above include those having a credit balance in the collective depots held by Euroclear Netherlands or one of its participants.

As used herein, “Tranche” means Covered Bonds which are identical in all respects (including as to listing) and “Series” means a Tranche of Covered Bonds together with any further Tranche or Tranches of Covered Bonds which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

These Conditions include summaries of, and are subject to, the provisions of the CB Trust Deed, the Security Documents and the CB Agency Agreement.

Copies of the CB Trust Deed, the Security Documents, the Incorporated Terms Memorandum incorporating the Master Definitions Schedule, the CB Agency Agreement and each of the other CB Transaction Documents are available for inspection during normal business hours at the registered office for the time being of the CB Trustee being at Teleportboulevard 140, 1043 EJ Amsterdam, The Netherlands and at the specified office of each of the CB Paying Agents. Copies of the applicable Final Terms for all Covered Bonds of each Series (including in relation to unlisted Covered Bonds of any Series) are obtainable during normal business hours at the specified office of each of the CB Paying Agents and any Covered Bondholder must produce evidence satisfactory to the Global Issuer and the CB Trustee or, as the case may be, the relevant CB Paying Agent as to its holding of Covered Bonds and identity. The Covered Bondholders, the Receiptholders and the Couponholders are deemed to have notice of, are bound by, and are entitled to the benefit of, all the provisions of, and definitions contained in, the CB Trust Deed, the Security Documents, the Incorporated Terms Memorandum, the CB Agency Agreement, each of the other CB Transaction Documents and the applicable Final Terms which are applicable to them and to have notice of each Final Terms relating to each other Series.

Except where the context otherwise requires, capitalised terms used and not otherwise defined in these Conditions shall bear the meaning given to them in the applicable Final Terms and/or the master definitions schedule (the “Master Definitions Schedule”) incorporated in the incorporated terms memorandum dated the CB Programme Date (the “Incorporated Terms Memorandum”), a copy of each of which may be obtained as described above.

1 FORM, DENOMINATION AND TITLE

The Covered Bonds are in bearer form (“Bearer Covered Bonds”) or registered form (“Registered Covered Bonds”), the latter issued pursuant to the terms and conditions of a registered covered bonds deed

(“Registered Covered Bonds Deed”), as set out in the applicable Final Terms, and, in definitive form (“Definitive Covered Bonds”), serially numbered, and in the case of Definitive Covered Bonds in registered form (“Registered Definitive Covered Bonds”) in the Specified Currency and the Specified Denomination(s). Covered Bonds of one Specified Denomination may not be exchanged for Covered Bonds of another Specified Denomination.

This Covered Bond may either have a hard bullet maturity (a “HB Covered Bond”) or a soft bullet maturity (a “SB Covered Bond”) as indicated in the applicable Final Terms. A Tranche of HB Covered Bonds can never form part of a Series of SB Covered Bonds and *vice versa*.

This Covered Bond may be a Fixed Rate Covered Bond, a Floating Rate Covered Bond, a Zero Coupon Covered Bond, an Index Linked Interest Covered Bond, a Share Linked Interest Covered Bond, a Dual Currency Interest Covered Bond or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

This Covered Bond may be an Index Linked Redemption Covered Bond, a Share Linked Redemption Covered Bond, a Dual Currency Redemption Covered Bond, a Partly Paid Bond or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

Definitive Covered Bonds in bearer form (“Bearer Definitive Covered Bonds”) are issued with Coupons attached, unless they are Zero Coupon Covered Bonds in which case references to Coupons and Couponholders in these Conditions are not applicable.

Under Dutch law, the valid transfer of Covered Bonds requires, among other things, delivery (*levering*) thereof.

For Covered Bonds held by Euroclear Netherlands deliveries will be made in accordance with the Dutch Giro Securities Transfer Act (*Wet giraal effectenverkeer*).

The Global Issuer, the CBC, the CB Paying Agents and the CB Trustee may (except as otherwise required by law) deem and treat the holder of any Bearer Covered Bond or Coupon as the absolute owner thereof, whether or not any payment is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof and no person shall be liable for so treating such bearer for all purposes but, in the case of any Global Covered Bond, without prejudice to the provisions set out in the first succeeding paragraph. The signatures on this Covered Bond or the relevant Registered Covered Bonds Deed, as applicable, are manual and/or in facsimile.

For so long as any of the Bearer Covered Bonds are represented by a Global Covered Bond in bearer form (a “Bearer Global Covered Bond”; and “Global Covered Bond” means either a Temporary Global Covered Bond or a Permanent Global Covered Bond or a Registered Global Covered Bond) held by a common safekeeper on behalf of Euroclear Bank S.A./N.V. as operator of the Euroclear System (“Euroclear”) and/or Clearstream Banking, société anonyme (“Clearstream, Luxembourg”), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Bearer Covered Bonds (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to such nominal amount of such Bearer Covered Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Global Issuer, the CBC, the CB Paying Agents and the CB Trustee as the holder of such nominal amount of such Bearer Covered Bonds for all purposes other than with respect to the payment of principal or interest or other amounts on such nominal amount of such Bearer Covered Bonds, for which purpose the bearer of the relevant Bearer Global Covered Bond shall be treated by the Global Issuer, the CBC, any CB Paying Agent and the CB Trustee as the holder of such nominal amount of such Bearer Covered Bonds in accordance with and subject to the terms of the relevant Bearer Global Covered Bond and the expressions “Covered Bondholder” and “holder of Covered Bonds” and related

expressions shall be construed accordingly. In determining whether a particular person is entitled to a particular nominal amount of Bearer Covered Bonds as aforesaid, the CB Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error or an error established as such to the satisfaction of the Trustee, be conclusive and binding on all concerned. Bearer Covered Bonds which are represented by a Bearer Global Covered Bond will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg, and Euroclear Netherlands, as the case may be.

Where Covered Bonds represented by a Permanent Global Covered Bond are deposited with Euroclear Netherlands, a Covered Bondholder shall not have the right to request delivery (*uitlevering*) of his Covered Bonds under the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*) other than as set out in the Global Covered Bond.

References to Euroclear, Clearstream, Luxembourg and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms or as may otherwise be approved by the Global Issuer, the CB Principal Paying Agent and the CB Trustee but shall not include Euroclear Netherlands. Any amendments to the Conditions required in connection with such additional or alternative clearing system shall be specified in the applicable Final Terms.

2 STATUS OF THE COVERED BONDS

The Covered Bonds and any related Receipts and Coupons constitute unsubordinated and unsecured obligations of the Global Issuer, guaranteed by the CB Guarantee and rank *pari passu* without any preference among themselves and at least *pari passu* with all other unsecured and unsubordinated obligations of the Global Issuer, present and future, other than any obligations preferred by mandatory provisions of applicable law.

3 THE CB GUARANTEE

Pursuant to a guarantee issued under the CB Trust Deed, the CBC has as an independent obligation irrevocably undertaken to pay the Guaranteed Amounts when the same shall become Due for Payment (the “CB Guarantee”). However, the CBC shall have no such obligation under the CB Guarantee until (i) the occurrence of a Global Issuer Event of Default, service by the CB Trustee on the Global Issuer of an Issuer Acceleration Notice and service by the CB Trustee on the CBC of a Notice to Pay or (ii) the occurrence of a CBC Event of Default and the service by the CB Trustee of a CBC Acceleration Notice on the Global Issuer and the CBC. In addition, if this Covered Bond is part of any Series of SB Covered Bonds and the CBC is obliged under the CB Guarantee to pay a Guaranteed Final Redemption Amount in relation to such Series, then:

- (a) the obligation of the CBC to pay such Guaranteed Final Redemption Amount in respect of such Series of SB Covered Bonds shall be deferred to, and shall under the CB Guarantee be due on, the Extended Due for Payment Date, unless on the date when such Guaranteed Final Redemption Amount is Due for Payment (the “Extension Date”) or any subsequent Interest Payment Date which applies pursuant to paragraph (b) below and which falls prior to the Extended Due for Payment Date, any moneys are available to the CBC after the CBC shall under the relevant Priority of Payments have paid or provided for (1) all higher and *pari passu* ranking amounts, (2) all Guaranteed Final Redemption Amounts pertaining to any Series of HB Covered Bonds with a CB Final Maturity Date falling in or prior to the CBC Payment Period in which the Extended Due for Payment Date for such Series of SB Covered Bonds falls and (3) all Guaranteed Final Redemption Amounts pertaining to any Series of SB Covered

Bonds with an Extended Due for Payment Date falling prior to the CBC Payment Period in which the Extended Due for Payment Date for this Series of SB Covered Bonds falls, in which case the CBC shall (i) give notice thereof to the relevant holders of the SB Covered Bonds (in accordance with Condition 13 (Notices)), the Rating Agencies, the CB Trustee, the CB Principal Paying Agent and the CB Registrar (in the case of Registered Covered Bonds) as soon as reasonably practicable and in any event at least two Business Days prior to the Extension Date and/or such Interest Payment Date, respectively, and (ii) apply such remaining available moneys in payment, in whole or in part, of such Guaranteed Final Redemption Amount, if applicable pro rata with any Guaranteed Final Redemption Amount pertaining to a Series of SB Covered Bonds with an Extended Due for Payment Date falling in the same CBC Payment Period in which the Extended Due for Payment Date for this Series of SB Covered Bonds falls (and to such extent such Guaranteed Final Redemption Amount shall for the purpose of the relevant Priority of Payments and all other purposes be due) on the Extension Date and/or such Interest Payment Date, respectively; and

- (b) the CBC shall under the CB Guarantee owe interest over the unpaid portion of such Guaranteed Final Redemption Amount, which shall accrue and be payable on the basis set out in the applicable Final Terms or, if not set out therein, Condition 4 (Interest), provided that for this purpose only all references in Condition 4 to the CB Final Maturity Date of such Series of SB Covered Bonds are deemed to be references to the Extended Due for Payment Date, *mutatis mutandis*,

all without prejudice to the CBC's obligation to pay any other Guaranteed Amount (i.e. other than the Guaranteed Final Redemption Amount) when Due for Payment.

Alternatively, if this Covered Bond is part of a Series of HB Covered Bonds and the CBC is obliged under the CB Guarantee to pay a Guaranteed Final Redemption Amount relating to such Series, such Guaranteed Amount shall be payable on the CB Final Maturity Date relating to such Series (and therefore no deferral to any Extended Due for Payment Date shall apply to any Series of HB Covered Bonds).

The rights under the CB Guarantee (a) form an integral part of the Covered Bonds, (b) are of interest to a holder of Covered Bonds only if, to the extent that, and for so long as, it holds Covered Bonds and (c) can only be transferred together with all other rights under the relevant Covered Bond. The obligations of the CBC under the CB Guarantee are unsubordinated and unguaranteed obligations of the CBC, which are secured (indirectly, through a parallel debt) as set out below.

As security for a parallel debt corresponding to the CBC's obligations under the CB Guarantee and the other CB Transaction Documents to which it is a party, the CBC has granted the following security rights to the CB Trustee:

- (i) a first ranking right of pledge over the Transferred Assets;
- (ii) a first ranking right of pledge over the moneys standing to the credit of the CBC Accounts from time to time; and
- (iii) a first ranking right of pledge over the CBC's present and future rights (*vorderingen*) vis-à-vis any debtors of the CBC under any CB Transaction Document to which the CBC is a party, other than the Management Agreement (CBC).

The holders of the Covered Bonds of each Series will, through the CB Trustee, benefit from the Security and are deemed to have acknowledged, and are bound by, Clause 8 (*Parallel Debt*) of the CB Trust Deed.

For the purposes of these Conditions:

“Extended Due for Payment Date” means, with respect to any Series of SB Covered Bonds only, the date falling one year after the CB Final Maturity Date, as specified as such in the applicable Final Terms; and

“Guaranteed Final Redemption Amount” means a Guaranteed Amount relating to Scheduled Principal payable on the CB Final Maturity Date in respect of any Series of Covered Bonds.

4 INTEREST

(a) *Interest on Fixed Rate Covered Bonds*

Each Fixed Rate Covered Bond bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date at the rate(s) per annum equal to the applicable Rate of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the CB Final Maturity Date.

Except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the Fixed Rate Covered Bond, divided by the Calculation Amount.

In these Conditions:

“Day Count Fraction” means, in respect of the calculation of an amount of interest in accordance with this Condition 4(a):

- (i) if “Actual/Actual (ISMA)” is specified in the applicable Final Terms:
 - (A) in the case of Covered Bonds where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, in the case of the first interest period, the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date (the “Accrual Period”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (B) in the case of Covered Bonds where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination

Period and (y) the number of Determination Dates that would occur in one calendar year; and

- (ii) if “30/360” is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

“**Determination Period**” means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date);

“**CB Final Maturity Date**” means in respect of a Series of Covered Bonds, the Interest Payment Date which falls no more than 30 years after the Issue Date of such Series and on which the Covered Bonds of such Series are expected to be redeemed at their Principal Amount Outstanding in accordance with these Conditions, as specified in the relevant Final Terms;

“**Fixed Interest Period**” means the period from (and including) an Interest Payment Date (or, in the case of the first interest period, the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

“**Principal Amount Outstanding**” means, on any date:

- (i) in respect of a Covered Bond outstanding, the principal amount of that Covered Bond on the relevant Issue Date, less the aggregate amount of any principal payments in respect of such Covered Bond which have been paid to the CB Paying Agent on or prior to that date; and
- (ii) in relation to the Covered Bonds outstanding at any time, the aggregate of the amount in (i) in respect of all Covered Bonds outstanding; and

“**sub-unit**” means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

(b) *Interest on Floating Rate Covered Bonds, Index Linked Interest Covered Bonds and Share Linked Interest Covered Bonds*

(i) *Interest Payment Dates*

Each Floating Rate Covered Bond, Index Linked Interest Covered Bond and Share Linked Interest Covered Bond bears interest on its Principal Amount Outstanding from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an “Interest Payment Date”) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In these Conditions, the expression “Interest Period” shall mean the period from (and including) an Interest Payment

Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (1) in any case where Specified Periods are specified in accordance with Condition 4(b)(i)(B) above, the “Floating Rate Convention”, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the “Following Business Day Convention”, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the “Modified Following Business Day Convention”, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the “Preceding Business Day Convention”, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, “Business Day” means, save as otherwise specified in the applicable Final Terms, a day which is both:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Amsterdam and in any Additional Business Centre specified in the applicable Final Terms; and
- (B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than Amsterdam and any Additional Business Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation any sum payable in euro a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System (the “TARGET System”) is open.

(ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Covered Bonds, Index Linked Interest Covered Bonds and Share Linked Interest Covered Bonds will be determined in the manner specified in the applicable Final Terms.

- (A) ISDA Determination for Floating Rate Covered Bonds

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (A), “ISDA Rate” for an Interest Period means a rate equal to the Floating Rate that would be determined by the CB Principal Paying Agent under an interest rate swap transaction if the CB Principal Paying Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2000 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Covered Bonds, provided that the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. shall not be construed as an amendment or update of the 2000 ISDA Definitions, (the “ISDA Definitions”) and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the Designated Maturity is a period as specified in the applicable Final Terms; and
- (3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate (“LIBOR”) or on the Euro-zone inter-bank offered rate (“EURIBOR”), the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms.

For the purposes of this subparagraph (A), “Floating Rate”, “Calculation Agent”, “Floating Rate Option”, “Designated Maturity” and “Reset Date” have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Covered Bonds

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations, (expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the CB Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The CB Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such offered

quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Covered Bonds is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Covered Bonds will be determined as provided in the applicable Final Terms.

(iii) *Minimum Rate of Interest and/or Maximum Rate of Interest*

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) *Determination of Rate of Interest and calculation of Interest Amounts*

The CB Calculation Agent, in the case of Floating Rate Covered Bonds, Index Linked Interest Covered Bonds and Share Linked Interest Covered Bonds, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. The CB Calculation Agent will calculate the amount of interest (“the Interest Amount”) by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the Floating Rate Covered Bond, Index Linked Interest Covered Bond and/or Share Linked Interest Covered Bond divided by the Calculation Amount.

“Day Count Fraction” means, in respect of the calculation of an amount of interest in accordance with this Condition 4(b):

- (a) if “Actual/365” or “Actual/Actual (ISDA)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (b) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (c) if “Actual/365 (Euro)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (d) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (e) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last

day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and

- (f) if “30E/360” or “Eurobond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of the final Interest Period, the CB Final Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

(v) *Notification of Rate of Interest and Interest Amounts*

The CB Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Global Issuer, the CB Trustee and any competent listing authority, stock exchange and/or quotation system on or by which the relevant Floating Rate Covered Bonds, Index Linked Interest Covered Bonds or Share Linked Interest Covered Bonds are for the time being listed, quoted and/or traded and notice thereof to be published in accordance with Condition 13 (*Notices*) as soon as possible after their determination but in no event later than the fourth Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each competent listing authority, stock exchange and/or quotation system on or by which the relevant Floating Rate Covered Bonds, Index Linked Interest Covered Bonds or Share Linked Interest Covered Bonds are for the time being listed, quoted and/or traded and to the Covered Bondholders in accordance with Condition 13 (*Notices*). For the purposes of this paragraph, the expression “Business Day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in Amsterdam. If the Calculation Amount is less than the minimum Specified Denomination the CB Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Floating Rate Covered Bond, Index Linked Interest Covered Bond and/or Share Linked Interest Covered Bond having the minimum Specified Denomination.

(vi) *Determination or Calculation by CB Trustee*

If for any reason at any relevant time the CB Principal Paying Agent or, as the case may be, the CB Calculation Agent defaults in its obligation to determine the Rate of Interest or the CB Principal Paying Agent defaults in its obligation to calculate any Interest Amount in accordance with subparagraph (ii)(A) or (B) above or as otherwise specified in the applicable Final Terms, as the case may be, and in each case in accordance with paragraph (iv) above, the CB Trustee shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the CB Trustee shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed

to have been made by the CB Principal Paying Agent or the CB Calculation Agent, as applicable.

(vii) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(b), whether by the CB Principal Paying Agent or, if applicable, the CB Calculation Agent, or the CB Trustee shall (in the absence of wilful default, bad faith or manifest error or an error established as such to the satisfaction of the CB Trustee) be binding on the Global Issuer, the CBC, the CB Principal Paying Agent, the CB Calculation Agent (if applicable), the other CB Paying Agents, the CB Trustee and all Covered Bondholders, the Receiptholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Global Issuer, the CBC, the Covered Bondholders, the Receiptholders or the Couponholders shall attach to the CB Principal Paying Agent or, (if applicable), the CB Calculation Agent or the CB Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Interest on Dual Currency Interest Covered Bonds*

The rate or amount of interest payable in respect of Dual Currency Interest Covered Bonds shall be determined in the manner specified in the applicable Final Terms.

(d) *Interest on Partly Paid Covered Bonds*

In the case of Partly Paid Covered Bonds (other than Partly Paid Covered Bonds which are Zero Coupon Covered Bonds) interest will accrue as aforesaid on the paid-up nominal amount of such Covered Bonds and otherwise as specified in the applicable Final Terms.

(e) *Accrual of interest*

Each Covered Bond (or in the case of the redemption of part only of a Covered Bond, that part only of such Covered Bond) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue as provided in the CB Trust Deed.

5 PAYMENTS

(a) *Method of payment*

Subject as provided below:

- (i) payments in a Specified Currency other than euro and U.S. Dollars will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively);
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque; and

- (iii) payments in U.S. Dollars will be made by transfer to a U.S. Dollar account, which in the case of any Covered Bond, other than a Registered Covered Bond, shall be maintained by the payee with a bank outside of the United States (which expression, as used in this Condition 5, means the United States of America, including the State and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction), or by cheque drawn on a United States bank.

In no event will payment be made in respect of any Covered Bond, other than a Registered Covered Bond, by a cheque mailed to an address in the United States. Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment in these Conditions, the CB Trust Deed, the CB Agency Agreement and the Final Terms, but without prejudice to the provisions of Condition 7 (*Taxation*). References to Specified Currency will include any successor currency under applicable law.

(b) *Presentation of Bearer Definitive Covered Bonds, Receipts and Coupons*

Payments of principal in respect of Bearer Definitive Covered Bonds will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Bearer Definitive Covered Bonds, and payments of interest in respect of Bearer Definitive Covered Bonds will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any CB Paying Agent outside the United States.

Payments of instalments of principal in respect of Bearer Definitive Covered Bonds (if any), other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (a) above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt. Payment of the final instalment will be made in the manner provided in paragraph (a) above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Covered Bond. Each Receipt must be presented for payment of the relevant instalment together with the Bearer Definitive Covered Bond to which it appertains. Receipts presented without the Bearer Definitive Covered Bonds to which they appertain do not constitute valid obligations of the Global Issuer. Upon the date on which any Bearer Definitive Covered Bond becomes due and repayable, unmaturing Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Bearer Definitive Covered Bonds which are Fixed Rate Covered Bonds (other than Dual Currency Interest Covered Bonds, Index Linked Covered Bonds, Share Linked Covered Bonds or Long Maturity Covered Bonds (as defined below)) should be presented for payment together with all unmaturing Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmaturing Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmaturing Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7 (*Taxation*)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8 (*Prescription*) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter).

Upon any Bearer Definitive Covered Bonds which is a Fixed Rate Covered Bond becoming due and repayable prior to its CB Final Maturity Date, all unmaturing Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Bearer Definitive Covered Bond which is a Floating Rate Covered Bond, Dual Currency Interest Covered Bond, Index Linked Covered Bond, Share Linked Covered Bond or Long Maturity Covered Bond becomes due and repayable in whole, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A “Long Maturity Covered Bond” is a Fixed Rate Covered Bond (other than a Fixed Rate Covered Bond which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Covered Bond shall cease to be a Long Maturity Covered Bond on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the Principal Amount Outstanding of such Covered Bond.

If the due date for redemption of any Bearer Definitive Covered Bond is not an Interest Payment Date, interest (if any) accrued in respect of such Covered Bond from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant Bearer Definitive Covered Bond.

(c) *Payments in respect of Global Covered Bonds*

Payments of principal and interest (if any) in respect of Covered Bonds represented by any Global Covered Bond will (subject as provided below) be made in the manner specified above in relation to Bearer Definitive Covered Bonds and otherwise in the manner specified in the relevant Bearer Global Covered Bond against presentation or surrender (as the case may be) of such Bearer Global Covered Bond at the specified office of any CB Paying Agent (which, in the case of any Bearer Global Covered Bond shall be located outside the United States). A record of each payment made against presentation or surrender of any Bearer Global Covered Bond, distinguishing between any payment of principal and any payment of interest, will be made on such Bearer Global Covered Bond by the CB Paying Agent to which it was presented and such record shall be *prima facie* evidence that the payment in question has been made.

(d) *General provisions applicable to payments*

The holder of a Bearer Global Covered Bond shall be the only person entitled to receive payments in respect of Bearer Covered Bonds represented by such Bearer Global Covered Bond and the Global Issuer or the CBC and the CB Trustee will be discharged by payment to, or to the order of, the holder of such Bearer Global Covered Bond in respect of each amount so paid.

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg, Euroclear Netherlands or DTC as the beneficial holder of a particular nominal amount of Covered Bonds represented by a Global Covered Bond must look solely to Euroclear, Clearstream, Luxembourg, Euroclear Netherlands or DTC, as the case may be, for his share of each payment so made by the Global Issuer or the CBC or the CB Trustee to, or to the order of, the holder of such Global Covered Bond.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Covered Bonds, that are not Registered Covered Bonds, is payable in U.S. Dollars, such U.S. Dollar payments of principal and/or interest in respect of such Covered Bonds will be made at the specified office of a CB Paying Agent in the United States if:

- (i) the Global Issuer has appointed CB Paying Agents with specified offices outside the United States with the reasonable expectation that such CB Paying Agents would be able to make payment in U.S. Dollars at such specified offices outside the United States of the full amount of principal and interest on the Covered Bonds in the manner provided above when due;

- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. Dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Global Issuer and the CBC, adverse tax consequences to the Global Issuer or the CBC.

(e) *Payment Day*

If the date for payment of any amount in respect of any Covered Bond or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "Payment Day" means any day which (subject to Condition 8 (*Prescription*)) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (A) the relevant place of presentation;
 - (B) London;
 - (C) Amsterdam; and
 - (D) any Additional Financial Centre specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, London, Amsterdam or any Additional Financial Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET System is open.

(f) *Interpretation of principal and interest*

Any reference in these Conditions to principal in respect of the Covered Bonds shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 7 (*Taxation*) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the CB Trust Deed;
- (ii) the Final Redemption Amount of the Covered Bonds;
- (iii) the Early Redemption Amount of the Covered Bonds;
- (iv) the Optional Redemption Amount(s) (if any) of the Covered Bonds;
- (v) in relation to Zero Coupon Covered Bonds, the Amortised Face Amount (as defined in Condition 6(d) (*Redemption and Purchase - Early Redemption Amounts*));
- (vi) any premium and any other amounts (other than interest) which may be payable by the Global Issuer under or in respect of the Covered Bonds; and
- (vii) any Excess Proceeds which may be payable by the CB Trustee under or in respect of the Covered Bonds.

Any reference in these Conditions to interest in respect of the Covered Bonds shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7 (*Taxation*) or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the CB Trust Deed.

(g) *Set-off*

Any payments under or pursuant to the Covered Bonds shall be made by the Global Issuer free of set-off and withholding if and to the extent so specified in the applicable Final Terms.

6 REDEMPTION AND PURCHASE

(a) *Redemption at maturity*

Unless previously redeemed or purchased and cancelled as specified below, each Covered Bond will be redeemed by the Global Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the CB Final Maturity Date (the “Final Redemption Amount”).

(b) *Redemption for tax reasons*

The Covered Bonds may be redeemed at the option of the Global Issuer in whole, but not in part, at any time (if this Covered Bond is neither a Floating Rate Covered Bond, an Index Linked Interest Covered Bond, a Share Linked Interest Covered Bond nor a Dual Currency Interest Covered Bond) or on any Interest Payment Date (if this Covered Bond is either a Floating Rate Covered Bond, a Share Linked Interest Covered Bond, an Index Linked Interest Covered Bond or a Dual Currency Interest Covered Bond), on giving not less than 30 nor more than 60 days’ notice to the CB Trustee, the CB Registrar and the CB Principal Paying Agent and, in accordance with Condition 13 (*Notices*), the Covered Bondholders (which notice shall be irrevocable), if the Global Issuer satisfies the CB Trustee immediately before the giving of such notice that:

- (i) on the occasion of the next payment due under the Covered Bonds, the Global Issuer has or will become obliged to withhold or account for tax in respect of Covered Bonds as referred to in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 7 (*Taxation*)) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Covered Bonds; and
- (ii) such obligation cannot be avoided by the Global Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Global Issuer would be obliged to pay such additional amounts were a payment in respect of the Covered Bonds then due.

Prior to the publication of any notice of redemption pursuant to this Condition 6, the Global Issuer shall deliver to the CB Trustee a certificate signed by two authorised signatories of the Global Issuer stating that the Global Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Global Issuer so to redeem have occurred and the CB Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Covered Bondholders, the Receiptholders and the Couponholders.

Covered Bonds redeemed pursuant to this Condition 6(b) will be redeemed at their Early Redemption Amount referred to in Condition 6(d) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(c) *Redemption at the option of the Global Issuer (Issuer Call)*

If Issuer Call is specified in the applicable Final Terms, the Global Issuer may, having given:

- (i) not less than 15 nor more than 30 days' notice to the Covered Bondholders in accordance with Condition 13 (*Notices*); and
- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to the CB Trustee, the CB Principal Paying Agent and the CB Registrar;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Covered Bonds then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date, provided that no Global Issuer Event of Default has occurred and is continuing. Any such partial redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Covered Bonds, the Covered Bonds to be redeemed (the "Redeemed Covered Bonds") will be selected individually by lot, in the case of Redeemed Covered Bonds represented by Definitive Covered Bonds, and where applicable in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) and/or Euroclear Netherlands and/or, as the case may be, DTC, in the case of Redeemed Covered Bonds represented by a Global Covered Bond, in each case, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "Selection Date"). In the case of Redeemed Covered Bonds (i) represented by Definitive Covered Bonds, a list of the serial numbers and (ii) in the case of Registered Covered Bonds, the nominal amount drawn and the holders thereof, of such Redeemed Covered Bonds will be published in accordance with Condition 13 (*Notices*) not less than 15 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Covered Bonds represented by Definitive Covered Bonds shall bear the same proportion to the aggregate nominal amount of all Redeemed Covered Bonds as the aggregate nominal amount of Definitive Covered Bonds outstanding bears to the aggregate nominal amount of the Covered Bonds outstanding, in each case on the Selection Date, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Covered Bonds represented by a Global Covered Bond shall be equal to the balance of the Redeemed Covered Bonds. No exchange of the relevant Global Covered Bond will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this paragraph (c) and notice to that effect shall be given by the Global Issuer to the Covered Bondholders in accordance with Condition 13 (*Notices*) at least five days prior to the Selection Date.

(d) *Early Redemption Amounts*

For the purpose of paragraph (b) above and Condition 9 (*Events of Default and Enforcement*), each Covered Bond will be redeemed at its Early Redemption Amount calculated as follows (each, the relevant "Early Redemption Amount"):

- (i) in the case of a Covered Bond with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;

- (ii) in the case of a Covered Bond (other than a Zero Coupon Covered Bond) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Covered Bond is denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or
- (iii) in the case of a Zero Coupon Covered Bond, at an amount (the “Amortised Face Amount”) calculated in accordance with the following formula:

$$\text{Amortised Face Amount} = \text{RP} \times (1 + \text{AY})^y$$

where:

“RP” means the Reference Price specified in the applicable Final Terms;

“AY” means the Accrual Yield specified in the applicable Final Terms, expressed as a decimal; and

“y” is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Covered Bonds to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Covered Bond becomes due and repayable and the denominator of which is 360,

or on such other calculation basis as may be specified in the applicable Final Terms.

Where such calculation is to be made for a period which is not a whole number of years, it shall be made (i) in the case of a Zero Coupon Covered Bond payable in a specified currency other than euro, on the basis of a 360-day year consisting of 12 months of 30 days each or (ii) in the case of a Zero Coupon Covered Bond payable in euro, on the basis of the actual number of days elapsed divided by 365 (or, if any of the days elapsed falls in a leap year, the sum of (x) the number of those days falling in a leap year divided by 366 and (y) the number of those days falling in a non-leap year divided by 365) or (iii) on such other calculation basis as may be specified in the applicable Final Terms.

(e) *Partly Paid Covered Bonds*

Partly Paid Covered Bonds will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 6 and the applicable Final Terms.

(f) *Purchases*

The Global Issuer, the CBC and/or any member of the ING Group may at any time purchase Covered Bonds (provided that, in the case of Bearer Definitive Covered Bonds, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Covered Bondholders alike. Such Covered Bonds may be held, reissued, resold or, at the option of the Global Issuer or the CBC and/or such member of the ING Group, surrendered to any CB Paying Agent for cancellation.

(g) *Cancellation*

All Bearer Covered Bonds which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Bearer Covered Bonds so cancelled and any Bearer Covered Bonds purchased and cancelled pursuant to paragraph (f) above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the CB Principal Paying Agent and cannot be reissued or resold.

(h) Late payment on Zero Coupon Covered Bonds

If the amount payable in respect of any Zero Coupon Covered Bond upon redemption of such Zero Coupon Covered Bond pursuant to paragraph (a), (b) or (c) above or upon its becoming due and repayable as provided in Condition 9 (*Events of Default and Enforcement*) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Covered Bond shall be the amount calculated as provided in paragraph (d)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Covered Bond becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Covered Bond have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Covered Bonds has been received by the CB Principal Paying Agent or the CB Trustee and notice to that effect has been given to the Covered Bondholders in accordance with Condition 13 (*Notices*).

(i) Legislative Exchange

Following the coming into force in The Netherlands, at any time after the CB Programme Date, of (i) any legislation similar to covered bond legislation in force in any other European Union country or (ii) any rules, regulations or guidelines published by any governmental authority that provides for bonds issued by Dutch issuers to qualify for the same benefits available to covered bonds issued under covered bond legislation in force in any other European Union country, the Global Issuer may, at its option and without the consent of the CB Trustee or the Covered Bondholders, exchange all (but not some only) of the Covered Bonds of all Series then outstanding (the “Existing Covered Bonds”) for new Covered Bonds which qualify as covered bonds under such new legislation, rules, regulations or guidelines (the “New Covered Bonds”) on the same economic terms and conditions as the Existing Covered Bonds (the “Legislative Exchange”) if not more than 60 nor less than 30 days’ notice to the Covered Bondholders (in accordance with Condition 13 (*Notices*)), the CB Registrar and the CB Trustee is given and provided that:

- (i) on the date on which such notice expires the Global Issuer delivers to the CB Trustee a certificate signed by two authorised signatories of each of the Global Issuer and the CBC confirming that, in the case of the Global Issuer, no Global Issuer Event of Default or Potential Global Issuer Event of Default and, in the case of the CBC, no CBC Event of Default or Potential CBC Event of Default, has occurred which is continuing;
- (ii) each of the Rating Agencies then rating the Existing Covered Bonds has confirmed in writing that the New Covered Bonds will be assigned the same ratings as are then applicable to the Existing Covered Bonds; and
- (iii) if the Existing Covered Bonds are listed, quoted and/or traded on or by a competent and/or relevant listing authority, stock exchange and/or quotation system on or before the date on which such notice expires the Global Issuer delivers to the CB Trustee a certificate signed by two authorised signatories of the Global Issuer confirming that all applicable rules of such competent and/or relevant listing authority, stock exchange and/or quotation system have been or will be complied with.

The Existing Covered Bonds will be cancelled concurrently with the issue of the New Covered Bonds and with effect on and from the date of issue thereof all references herein to Covered Bonds shall be deemed to be references to the New Covered Bonds.

(j) Redemption due to illegality

The Covered Bonds of all Series may be redeemed at the option of the Global Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the CB Trustee, the CB Registrar and the CB Principal Paying Agent and, in accordance with Condition 13 (*Notices*), all Covered Bondholders (which notice shall be irrevocable), if the Global Issuer satisfies the CB Trustee immediately before the giving of such notice that it has, or will, before the next Interest Payment Date of any Covered Bond of any Series, become unlawful for the Global Issuer to make any payments under the Covered Bonds as a result of any change in, or amendment to, the applicable laws or regulations or any change in the application or official interpretation of such laws or regulations, which change or amendment has become or will become effective before the next such Interest Payment Date.

Covered Bonds redeemed pursuant to this Condition 6(j) will be redeemed at their Early Redemption Amount referred to in Condition 6(d) (*Redemption and Purchase - Early Redemption Amounts*) above together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(k) Certificate

Prior to the publication of any notice of redemption pursuant to this Condition 6 (*Redemption and Purchase*), the Global Issuer shall deliver to the CB Trustee a certificate signed by two authorised signatories of the Global Issuer stating that the Global Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Global Issuer so to redeem have occurred and the CB Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on all Covered Bondholders.

7 TAXATION

All payments of principal and interest in respect of the Covered Bonds, Receipts and Coupons by the Global Issuer or the CBC, as the case may be, will be made without withholding or deduction of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is Required by Law. In the event of a withholding or deduction being made by the Global Issuer in respect of a payment made by it, the Global Issuer will not be obliged to pay any additional amounts as a consequence.

Should any payments made by the CBC under the CB Guarantee be made subject to any withholding or deduction on account of taxes or duties of whatever nature imposed or levied by or on account of any Tax Jurisdiction the CBC will not be obliged to pay any additional amounts as a consequence.

As used herein:

“**Relevant Date**” in relation to a payment means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the CB Trustee or the CB Principal Paying Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Covered Bondholders in accordance with Condition 13 (*Notices*); and

“**Tax Jurisdiction**” means The Netherlands or any political subdivision or any authority thereof or therein having power to tax.

8 PRESCRIPTION

The Covered Bonds, Receipts and Coupons will become void unless presented for payment within a period of five years after the Relevant Date therefor, subject in each case to the provisions of Condition 5(b) (*Payments - Presentation of Bearer Definitive Covered Bonds, Receipts and Coupons*).

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 8 or Condition 5(b) or any Talon which would be void pursuant to Condition 5(b).

9 EVENTS OF DEFAULT AND ENFORCEMENT

(a) *Global Issuer Events of Default*

An “**Issuer Acceleration Notice**” means a notice from the CB Trustee in writing to the Global Issuer that as against the Global Issuer (but not against the CBC) each Covered Bond of each Series is, and each such Covered Bond shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the CB Trust Deed.

The CB Trustee at its discretion may, and:

- (1) in relation to the defaults set out in subparagraphs (i) and (v) below; or
- (2) if so directed by a CB Programme Resolution of the Covered Bonds,

shall give an Issuer Acceleration Notice (subject in each case to being indemnified and/or secured to its satisfaction), if any of the following events (each a “Global Issuer Event of Default”) shall occur and be continuing:

- (i) default is made by the Global Issuer for a period of 7 days or more in the payment of any principal or redemption amount, or for a period of 14 days or more in the payment of any interest of the Covered Bonds of any Series when due; or
- (ii) a default is made in the performance by the Global Issuer of any material obligation (other than any obligation for the payment of principal, redemption amount or interest in respect of the Covered Bonds of any Series) under the provisions of the Covered Bonds of any Series or the CB Trust Deed or any other CB Transaction Document to which the Global Issuer is a party which (unless certified by the CB Trustee, in its opinion, to be incapable of remedy) shall continue for more than 30 days after written notification requiring such default to be remedied and indicating that this provision may be invoked if it is not so remedied, shall have been given to the Global Issuer by the CB Trustee in accordance with the CB Trust Deed; or
- (iii) an order is made or an effective resolution passed for the dissolution or winding up of the Global Issuer (except a dissolution or winding up for the purpose of (a) a merger, reconstruction, amalgamation, or following the transfer of all or substantially all of the assets of the Global Issuer, for which Rating Agency Confirmation has been obtained or (b) a demerger or split-off (*splitsing of afsplitsing*) for which Rating Agency Confirmation has been obtained); or
- (iv) a liquidator, receiver or other similar officer is appointed in relation to the Global Issuer or in relation to the whole of its assets; or the Global Issuer initiates or consents to judicial proceedings relating to its bankruptcy (*faillissement*) or equivalent or analogous proceedings under any applicable law, or shall make a conveyance, assignment or assignation for the benefit of, or shall enter into any composition (*akkoord*) with, its creditors generally; or

- (v) the Global Issuer is adjudged or found bankrupt (*failliet*) or emergency regulations (*noodregeling*) in the interest of all creditors as referred to in Chapter 3 of the Wft, or equivalent or analogous judgments or measures under any applicable law, are imposed on the Global Issuer,

in case an event described in paragraph (ii) above shall occur, the CB Trustee shall only deliver an Issuer Acceleration Notice if it shall have certified in writing to the Global Issuer that such event is, in its opinion, materially prejudicial to the interests of the Covered Bondholders of any Series.

Upon delivery of an Issuer Acceleration Notice pursuant to this Condition 9(a), the CB Trustee shall forthwith serve a notice to pay (the “Notice to Pay”) on the CBC pursuant to the CB Guarantee and the CBC shall be required to make payments of Guaranteed Amounts when the same shall become Due for Payment in accordance with the terms of the CB Guarantee.

Following the occurrence of a Global Issuer Event of Default and service of an Issuer Acceleration Notice, the CB Trustee may or shall take such proceedings against the Global Issuer in accordance with the first paragraph of Condition 9(c) (*Enforcement*).

The CB Trust Deed provides that all moneys received by the CB Trustee from the Global Issuer or any administrator, liquidator, trustee or other similar official appointed in relation to the Global Issuer following the occurrence of a Global Issuer Event of Default and service of an Issuer Acceleration Notice and a Notice to Pay (the “Excess Proceeds”), shall be paid by the CB Trustee on behalf of the Covered Bondholders of the relevant Series to the CBC for its own account, as soon as practicable, and shall be held by the CBC in the AIC Account and shall be used by the CBC in the same manner as all other moneys from time to time standing to the credit of the AIC Account. Any Excess Proceeds received by the CB Trustee shall discharge the obligations of the Global Issuer in respect of the Covered Bonds, Receipts and Coupons. However, the receipt by the CB Trustee of any Excess Proceeds shall not reduce or discharge any of the obligations of the CBC under the CB Guarantee.

Each Covered Bondholder shall be deemed to have irrevocably directed the CB Trustee to pay the Excess Proceeds to the CBC in the manner as described above.

(b) *CBC Events of Default*

A “**CBC Acceleration Notice**” means a notice in writing to the CBC and the Global Issuer that each Covered Bond of each Series is, and each Covered Bond of each Series shall as against the Global Issuer (if not already due and repayable against it following a Global Issuer Event of Default) and, through the CB Guarantee, as against the CBC, thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the CB Trust Deed and after delivery of such CBC Acceleration Notice, the Security shall become enforceable.

The CB Trustee at its discretion may, and, if so directed by a CB Programme Resolution, shall give a CBC Acceleration Notice (subject in each case to being indemnified and/or secured to its satisfaction), if any of the following events (each a “CBC Event of Default”) shall occur and be continuing:

- (i) default is made by the CBC under the CB Guarantee for a period of 7 days or more in the payment of any principal or redemption amount, or for a period of 14 days or more in the payment of any interest when due; or
- (ii) a default is made in the performance or observance by the CBC of any material obligation binding upon it (other than any obligation for the payment of Guaranteed Amounts in respect of the Covered Bonds of any Series) under the CB Trust Deed, the Security Documents or any other CB Transaction Document to which the CBC is a party which (unless certified by the CB Trustee, in its opinion, to be incapable of remedy) shall continue for more than 30 days after written notification requiring such default to be remedied and indicating that this provision may

be invoked if it is not so remedied shall have been given to the CBC by the CB Trustee in accordance with the CB Trust Deed; or

- (iii) an order is made or an effective resolution passed for the dissolution or winding up of the CBC; or
- (iv) the CBC ceases to carry on its business or substantially all its business; or
- (v) a liquidator, receiver or other similar officer is appointed in relation to the CBC or in relation to the whole or any major part of its assets or a conservatory attachment (*conservatoir beslag*) or an executory attachment (*executoriaal beslag*) or other process is levied or enforced upon or sued out against the whole or any major part of its assets or the CBC initiates or consents to judicial proceedings relating to its bankruptcy (*faillissement*) or (preliminary) suspension of payments (*(voorlopige) surseance van betaling*), or equivalent or analogous proceedings under any applicable law, or makes a conveyance, assignment or equivalent or assignation for the benefit of, or shall enter into any composition (*akkoord*) with, its creditors generally; or
- (vi) the CBC is adjudged or found bankrupt (*failliet*) or, if applicable, emergency regulations (*noodregeling*) in the interest of all creditors as referred to in Chapter 3 of the Wft, or equivalent or analogous judgments or measures under any applicable law, are imposed on the CBC,
- (vii) the CB Guarantee is not, or is claimed by the CBC not to be, in full force and effect; or
- (viii) the Amortisation Test (as set out in the Asset Monitor Agreement) is not satisfied on any Calculation Date following the service of a Notice to Pay on the CBC,

in case an event described in paragraph (ii) above shall occur, the CB Trustee shall only deliver a CBC Acceleration Notice if it shall have certified in writing to the CBC that such event is, in its opinion, materially prejudicial to the interests of the Covered Bondholders of any Series.

Following the occurrence of a CBC Event of Default which is continuing and service of a CBC Acceleration Notice, the CB Trustee may or shall take proceedings or steps against the Global Issuer and the CBC in accordance with Condition 9(c) (*Events of Default and Enforcement - Enforcement*) and the Covered Bondholders shall have a claim against the CBC, under the CB Guarantee, for the Early Redemption Amount together with accrued interest as provided in the CB Trust Deed in respect of each Covered Bond.

In these Conditions:

“**Calculation Date**” means the date falling two Business Days before each CBC Payment Date. The “relevant” Calculation Date in respect of any Calculation Period will be the first Calculation Date falling after the end of that period and the “relevant” Calculation Date in respect of any CBC Payment Date will be the last Calculation Date prior to that CBC Payment Date.

“**Calculation Period**” means the period from the CB Programme Date to the last day of the month succeeding the month in which the CB Programme Date falls and thereafter, each period from (and including) the first day of each month to the last day of that same month.

“**CBC Payment Date**” means the 28th day of each month or, if such day is not a Business Day, the next following Business Day unless it would thereby fall into the next calendar month, in which event such CBC Payment Date shall be brought forward to the immediately preceding Business Day.

(c) *Enforcement*

The CB Trustee may at any time after service of an Issuer Acceleration Notice (in the case of the Global Issuer) or a CBC Acceleration Notice (in the case of both the Global Issuer and the CBC), at its discretion and without further notice, take such proceedings against the Global Issuer and/or the CBC, as the case may be, to enforce the provisions of the CB Trust Deed, the Covered Bonds, the Receipts and the Coupons, but it shall not be bound to take any such enforcement proceedings in relation to the CB Trust Deed, the Covered Bonds, the Receipts or the Coupons or any other CB Transaction Document unless it shall have been so directed by a CB Programme Resolution and it shall have been indemnified and/or secured to its satisfaction.

The CB Trustee may at any time, at its discretion and without further notice, take such proceedings against the CBC and/or any other person as it may think fit to enforce the provisions of the Security Documents and may, at any time after the Security has become enforceable, take such steps as it may think fit to enforce the Security, but it shall not be bound to take any such steps unless (i) (a) it shall have been so directed by a CB Programme Resolution or (b) it shall have been directed in writing to do so by each of the other Secured Creditors (other than the Global Issuer) and (ii) it shall have been indemnified and/or secured to its satisfaction.

(d) *No action by Covered Bondholders, Receiptholders or Couponholders*

Subject to the provisions of the CB Trust Deed only the CB Trustee may pursue the remedies available under the applicable law or under the relevant CB Transaction Documents to enforce the Security and no Covered Bondholder, Receiptholder or Couponholder shall be entitled to proceed directly against the CBC. In particular, none of the Covered Bondholders, Receiptholders or Couponholders (nor any person on its or their behalf, other than the CB Trustee where appropriate) are entitled:

- (i) otherwise than as permitted by these Conditions and the CB Trust Deed, to direct the CB Trustee to enforce the performance of any provision of the Covered Bonds or the Security or take any proceedings against the CBC to enforce the Security; or
- (ii) to take or join any person in taking any steps against the CBC for the purpose of obtaining payment of any amount due by the CBC to such Covered Bondholders, Receiptholders and Couponholders; or
- (iii) until the date falling two years and a day after the date on which the CB Trustee has certified that no further Covered Bonds are outstanding and all of the CBC's obligations under the CB Transaction Documents to all CB Transaction Parties have been satisfied in full, to initiate or join any person in initiating any Insolvency Proceeding in relation to the CBC; or
- (iv) to take or join in the taking of any steps or proceedings which would result in the relevant Priorities of Payments not being observed.

(e) *Limited Recourse*

The recourse of the Covered Bondholders, Receiptholders and the Couponholders against the CBC pursuant to the CB Guarantee is limited as follows:

- (i) a Covered Bondholder will have a right of recourse (*verhaalsrecht*) (indirectly) only in respect of the Secured Property and will not have any claim, by operation of law or otherwise, against, or recourse to any of the CBC's other assets; and
- (ii) sums payable to each Covered Bondholder in respect of the CBC's obligations to such Covered Bondholder shall be limited to the lesser of (a) the aggregate amount of all sums due and payable to such Covered Bondholder and (b) the aggregate amounts received, realised or otherwise recovered by or for the account of the CB Trustee in respect of the Secured Property

whether pursuant to enforcement of the Security or otherwise, net of any sums which are payable (1) excluded from application in accordance with the relevant Priority of Payments or (2) by the CBC in accordance with the relevant Priority of Payments in priority to or *pari passu* with sums payable to such Covered Bondholder; and

- (iii) if following final enforcement of the Security the CB Trustee certifies, in its sole discretion, that the CBC has insufficient funds to pay in full all of the CBC's obligations to such Covered Bondholder, then such Covered Bondholder shall have no further claim against the CBC in respect of any such unpaid amounts and such unpaid amounts shall be discharged in full.

10 REPLACEMENT OF BEARER COVERED BONDS, RECEIPTS, COUPONS AND TALONS; COPIES OF REGISTERED COVERED BOND DEEDS

Should any (i) Bearer Covered Bond, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the CB Principal Paying Agent or (ii) person in whose name a Registered Covered Bond is registered in the CB Register require a copy of the relevant Registered Covered Bonds Deed, it may be requested at the specified office of the CB Registrar in either case upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Global Issuer may reasonably require. Mutilated or defaced Bearer Covered Bonds, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

11 CB PAYING AGENTS, CB TRANSFER AGENTS AND CB REGISTRAR

The names of the initial CB Paying Agents, the initial CB Transfer Agents and the initial CB Registrar and their initial specified offices are set out in the Base Prospectus.

The Global Issuer is entitled, with the prior written approval of the CB Trustee (such approval not to be unreasonably withheld or delayed), to vary or terminate the appointment of any CB Paying Agent, any CB Transfer Agent and the CB Registrar and/or appoint additional or other CB Paying Agents, CB Transfer Agents or CB Registrars and/or approve any change in the specified office through which any CB Paying Agent, any CB Transfer Agent or CB Registrar acts, provided that:

- (a) there will at all times be a CB Principal Paying Agent and a CB Registrar;
- (b) so long as any of the Registered Global Covered Bonds are held through DTC (or a nominee on its behalf), there will at all times be a CB Transfer Agent with a specified office in New York City;
- (c) so long as the Covered Bonds are listed, quoted and/or traded on or by any competent listing authority, on any stock exchange or quotation system, there will at all times be a CB Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant competent authority or stock exchange; and
- (d) it will ensure that it maintains a CB Paying Agent in an EU Member State that will not be obliged to withhold or deduct tax pursuant to the European Council Directive 2003/48/EC or any other directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced in order to conform to, such directive.

In addition, the Global Issuer shall forthwith appoint a CB Paying Agent having a specified office in New York City in the circumstances described in Condition 5(d) (*Payments - General provisions applicable to payments*). Any variation, termination, appointment or change shall only take effect (other than in the case of a bankruptcy, an insolvency or any equivalent or analogous proceeding, when it shall be of immediate effect)

after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Covered Bondholders in accordance with Condition 13 (*Notices*).

In acting under the CB Agency Agreement, the CB Paying Agents and the CB Registrar act solely as agents of the Global Issuer and the CBC and, in certain circumstances specified therein, of the CB Trustee and do not assume any obligation to, or relationship of agency or trust with, any Covered Bondholders, Receiptholders or Couponholders. The CB Agency Agreement contains provisions permitting any entity into which any CB Paying Agent, any CB Transfer Agent or the CB Registrar is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent or registrar.

12 EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the CB Principal Paying Agent or any other CB Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Covered Bond to which it appertains) a further Talon, subject to the provisions of Condition 8 (*Prescription*).

13 NOTICES

All notices regarding the Bearer Covered Bonds will be deemed to be validly given if published in (i) at least one daily newspaper of wide circulation in The Netherlands, which is expected to be *Het Financieele Dagblad*, (ii) if so specified in the applicable Final Terms, a leading English language daily newspaper of general circulation in London, and (iii) for so long as any Covered Bonds are listed on Euronext Amsterdam by NYSE Euronext ("Euronext Amsterdam"), in the Daily Official List (*Officiële Prijscourant*) of Euronext Amsterdam. The Global Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any competent listing authority, stock exchange or quotation system on or by which the Covered Bonds are for the time being listed, quoted and/or traded or by which they have been admitted to listing, quotation and/or trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the CB Trustee shall approve.

Until such time as any Bearer Definitive Covered Bonds are issued, there may, so long as the Bearer Covered Bond(s) is or are held in its or their entirety on behalf of Euroclear, Clearstream, Luxembourg and/or Euroclear Netherlands, be substituted for such publication in any newspaper or website the delivery of the relevant notice to Euroclear, Clearstream and/or Luxembourg, Euroclear Netherlands (as the case may be) for communication by them to the holders of beneficial interests in the Bearer Covered Bonds and, in addition, for so long as any Bearer Covered Bonds are listed on Euronext Amsterdam, such notice will be published in the Daily Official List of Euronext Amsterdam. Any such notice delivered on or prior to 4.00 p.m. (local time) on a Business Day in the city in which it is delivered will be deemed to have been given to the holders of the Bearer Covered Bonds on such Business Day. A notice delivered after 4.00 p.m. (local time) on a Business Day in the city in which it is delivered will be deemed to have been given to the holders of the Bearer Covered Bonds on the next following business day in such city.

Notices to be given by any Covered Bondholder shall be in writing and given by lodging the same, together (in the case of any Bearer Definitive Covered Bonds) with the relative Covered Bond or Covered Bonds, with the CB Principal Paying Agent or (in the case of Registered Definitive Covered Bonds) the CB Registrar.

Whilst any of the Covered Bonds are represented by a Global Covered Bond, such notice may be given by any holder of a Covered Bond to the CB Principal Paying Agent and/or the CB Registrar through Euroclear, Clearstream, Luxembourg, Euroclear Netherlands and/or DTC, as the case may be, in such manner as the CB Principal Paying Agent or the CB Registrar, as the case may be, and Euroclear, Clearstream, Luxembourg, Euroclear Netherlands and/or DTC, as the case may be, may approve for this purpose.

A copy of each notice given in accordance with this Condition 13 shall be provided to the relevant stock exchange if the relevant Covered Bonds are listed on such stock exchange and the rules of such stock exchange so require.

14 MEETINGS OF COVERED BONDHOLDERS, MODIFICATION AND WAIVER

The CB Trust Deed contains provisions for convening meetings of the Covered Bondholders of any Series to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Covered Bonds of such Series or the related Receipts or Coupons or of any of the CB Transaction Documents (subject as provided below and in the CB Trust Deed). Such a meeting may be convened by the Global Issuer, the CBC or the CB Trustee and shall be convened by the Global Issuer if required in writing by Covered Bondholders of a Series holding not less than fifteen per cent. of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being remaining outstanding. The quorum at any such meeting in respect of any Series for passing an Extraordinary Resolution is: (i) one or more persons holding or representing not less than fifty per cent. of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being outstanding, or at any adjourned meeting one or more persons being or representing Covered Bondholders of such Series whatever the nominal amount of the Covered Bonds of such Series so held or represented; (ii) at any meeting the business of which includes the modification of certain provisions of the Covered Bonds of a Series, the related Receipts or Coupons or the CB Trust Deed (including a reduction or cancellation of the amount payable in respect of such Covered Bonds, the alteration of the currency in which payments under such Covered Bonds are to be made, the alteration of the majority required to pass an Extraordinary Resolution, any amendment to the CB Guarantee or the Security Documents (except in a manner determined by the CB Trustee not to be materially prejudicial to the interests of the Covered Bondholders of any Series) or the sanction of any scheme or proposal for the exchange of such Covered Bonds in respect of such Series (each, a “Series Reserved Matter” all as more particularly set out in the CB Trust Deed)): one or more persons holding or representing not less than two-thirds of the Principal Amount Outstanding of the Covered Bonds of such Series for the time being outstanding, or at any adjourned meeting one or more persons holding or representing not less than one-third of the aggregate Principal Amount Outstanding of the Covered Bonds of such Series for the time being outstanding.

An Extraordinary Resolution passed at any meeting of the Covered Bondholders of a Series shall, subject as provided below, be binding on all the Covered Bondholders of such Series, whether or not they are present at the meeting, and on all Receiptholders and Couponholders in respect of such Series. Pursuant to the CB Trust Deed, the CB Trustee may convene a single meeting of the holders of Covered Bonds of more than one Series if in the opinion of the CB Trustee there is no conflict between the holders of such Covered Bonds, in which event the provisions of this paragraph shall apply thereto *mutatis mutandis*.

Notwithstanding the preceding paragraphs of this Condition 14 (*Meetings of Covered Bondholders, Modification and Waiver*), any resolution to direct the CB Trustee (i) to accelerate the Covered Bonds pursuant to Condition 9 (*Events of Default and Enforcement*); (ii) to take any enforcement action, or (iii) to remove or replace the CB Trustee’s Director shall only be capable of being passed by a CB Programme Resolution. Any such meeting to consider a CB Programme Resolution may be convened by the Global Issuer, the CBC or the CB Trustee or by Covered Bondholders of any Series. The quorum at any such meeting

for passing a CB Programme Resolution is one or more persons holding or representing not less than two-thirds of the aggregate Principal Amount Outstanding of the Covered Bonds of all Series for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing Covered Bonds whatever the nominal amount of the Covered Bonds of any Series so held or represented. A CB Programme Resolution passed at any meeting of the Covered Bondholders of all Series shall be binding on all Covered Bondholders of all Series, whether or not they are present at the meeting, and on all related Receiptholders and Couponholders in respect of such Series.

In connection with any meeting of the holders of Covered Bonds of more than one Series where such Covered Bonds are not denominated in euro, the nominal amount of the Covered Bonds of any Series not denominated in euro shall be converted into euro at the relevant Structured Swap Rate.

The CB Trustee and the Global Issuer may also agree, without the consent of the Covered Bondholders, Receiptholders or Couponholders of any Series and without the consent of the other Secured Creditors (and for this purpose the CB Trustee may disregard whether any such modification relates to a Series Reserved Matter), to:

- (a) any modification of the Covered Bonds of one or more Series, the related Receipts, Coupons or any CB Transaction Document provided that (i) in the opinion of the CB Trustee such modification is not materially prejudicial to the interests of any of the Covered Bondholders of any Series or any of the other Secured Creditors (other than the CBC) (in which respect the CB Trustee may rely upon the consent in writing of any other Secured Creditor as to the absence of material prejudice to the interests of such Secured Creditor) and (ii) it has not been informed in writing by any Secured Creditor (other than any Covered Bondholder(s)) that such Secured Creditor will be materially prejudiced thereby (other than a Secured Creditor who has given his/her written consent as aforesaid); or
- (b) any modification of the Covered Bonds of any one or more Series, the related, Receipts Coupons or any CB Transaction Document which is of a formal, minor or technical nature or is made to correct a manifest error or an error established as such to the satisfaction of the CB Trustee or to comply with mandatory provisions of law,

provided that any modification pursuant to paragraph (a) is notified to the Rating Agencies.

The CB Trustee may also agree, without the consent of the Covered Bondholders of any Series, and/or Receiptholders or Couponholders or any other Secured Creditor, to the waiver or authorisation of any breach or potential breach of any of the provisions of the Covered Bonds of any Series, or determine, without any such consent as aforesaid, that any Global Issuer Event of Default or CBC Event of Default or Potential Global Issuer Event of Default or Potential CBC Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the CB Trustee, materially prejudicial to the interests of any of the Secured Creditors (in which respect the CB Trustee may (without further enquiry) rely upon the consent in writing of any other Secured Creditor as to the absence of material prejudice to the interests of such Secured Creditor) provided that the CB Trustee has not been informed by any Secured Creditor (other than any Covered Bondholder(s)) that such Secured Creditor will be materially prejudiced thereby (other than a Secured Creditor who has given its written consent as aforesaid).

Any such modification, waiver, authorisation or determination shall be binding on all Covered Bondholders of all Series for the time being outstanding, the related Receiptholders or Couponholders and the other Secured Creditors, and unless the CB Trustee otherwise agrees, any such modification shall be notified by the Global Issuer to the Covered Bondholders of all Series for the time being outstanding, the other Secured Creditors and the Rating Agencies in accordance with the relevant terms and conditions as soon as practicable thereafter.

In connection with the exercise by it of any of its powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the CB Trustee shall have regard to the general interests of the Covered Bondholders of each Series as a class (but shall not have regard to any interests arising from circumstances particular to individual Covered Bondholders, Receiptholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Covered Bondholders, the related Receiptholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political subdivision thereof and the CB Trustee shall not be entitled to require, nor shall any Covered Bondholder or Couponholder be entitled to claim, from the Global Issuer, the CBC, the CB Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Covered Bondholders, Receiptholders or Couponholders, except to the extent already provided for in Condition 7 (*Taxation*) and/or in any undertaking or covenant given in addition to, or in substitution for, Condition 7 (*Taxation*) pursuant to the CB Trust Deed.

The Global Issuer may, without the consent of the holders of the Covered Bonds of any Series or any Receipts or Coupons relating thereto, or any other Secured Creditor consolidate with, merge or amalgamate into or transfer all its assets or substantially all of its assets as an entirety to (whether pursuant to a demerger, split-off or otherwise), any corporation organised under the laws of The Netherlands, or any political subdivision thereof, provided that (i) a certificate of two authorised signatories of the Global Issuer and the CBC is delivered to the CB Trustee to the effect that immediately after giving effect to such transaction no Global Issuer Event of Default and no CBC Event of Default, respectively, and no Potential Global Issuer Event of Default and no Potential CBC Event of Default, respectively, will have happened and be continuing and (ii) unless the Global Issuer is the surviving entity, the Global Issuer shall procure that the surviving or transferee company assumes its obligations as Global Issuer under the CB Trust Deed, each other relevant CB Transaction Document and all of the outstanding Covered Bonds of all Series, in place of the Global Issuer and (iii) in the case of an assumption of the obligations of the Global Issuer by a successor or transferee company, the CB Guarantee of the CBC is fully effective on the same basis in relation to the obligations of such successor or transferee company and (iv) certain other conditions set out in the CB Trust Deed are met. Upon the assumption of the obligations of the Global Issuer by such surviving or transferee company, the predecessor Global Issuer shall (subject to the provisions of the CB Trust Deed) have no further liabilities under or in respect of the CB Trust Deed or the outstanding Covered Bonds of each Series then outstanding or any Coupons appertaining thereto and the other CB Transaction Documents. Any such assumption shall be subject to the relevant provisions of the CB Trust Deed. The CB Trust Deed provides that any such assumption shall be notified to the holders of all Series in accordance with the relevant terms and conditions of such Covered Bonds and the other Secured Creditors.

For the purposes hereof:

“**CB Programme Resolution**” means either:

- (a) a written resolution of the holders of not less than twenty-five per cent. of the aggregate principal amount of the Covered Bonds of all Series then outstanding as if they were a single Series; or
- (b) an Extraordinary Resolution (with the Covered Bonds of all Series taken together as a single Series),

in each case with the nominal amount of Covered Bonds not denominated in euro being converted into euro at the relevant Structured Swap Rate.

“**Extraordinary Resolution**” means a resolution at a meeting duly convened and held in accordance with the provisions for meetings of covered bondholders as set out in the CB Trust Deed, by not less than two-thirds of the votes cast.

“Potential CBC Event of Default” means any condition, event or act which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, demand, determination and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition, would constitute a CBC Event of Default.

“Potential Global Issuer Event of Default” means any condition, event or act which, with the lapse of time and/or the issue, making or giving of any notice, certification, declaration, demand, determination and/or request and/or the taking of any similar action and/or the fulfilment of any similar condition, would constitute a Global Issuer Event of Default.

“Rating Agency Confirmation” means, with respect to each Rating Agency, receipt of a confirmation in writing that the then current ratings of the Covered Bonds will not be adversely affected by or withdrawn as a result of the relevant event or matter.

“CB Trustee’s Director” means Orangefield Trust (Netherlands) B.V. and/or such other person(s) who may be appointed as director(s) (*bestuurder*) of the CB Trustee from time to time.

15 CB TRUSTEE

If, in connection with the exercise of its powers, authorities or discretions, the CB Trustee is of the opinion that the interests of the holders of the Covered Bonds of any one or more Series would be materially prejudiced thereby, the CB Trustee shall not exercise such power, authority or discretion without the approval of such Covered Bondholders by Extraordinary Resolution or by a written resolution of such Covered Bondholders of not less than fifty per cent. of the Principal Amount Outstanding of Covered Bonds of the relevant Series then outstanding.

The CB Trust Deed contains provisions for the indemnification of the CB Trustee and for the CB Trustee’s relief from responsibility, including provisions relieving it from taking any action unless indemnified and/or secured to its satisfaction.

The CB Trustee will not be responsible for any loss, expense or liability, which may be suffered as a result of any Transferred Assets, or any deeds or documents of title thereto, being uninsured or inadequately insured or being held by clearing organisations or their operators or by intermediaries such as banks, brokers or other similar persons on behalf of the CB Trustee. The CB Trustee will not be responsible for (i) supervising the performance by the Global Issuer or any other party to the CB Transaction Documents of their respective obligations under the CB Transaction Documents and will be entitled to assume, until it has written notice to the contrary, that all such persons are properly performing their duties; (ii) considering the basis on which approvals or consents are granted by the Global Issuer or any other party to the CB Transaction Documents under the CB Transaction Documents; (iii) monitoring the Transferred Assets, including, without limitation, whether the Transferred Assets are in compliance with the Asset Cover Test, any Pre-Maturity Test, any Portfolio Test or the Amortisation Test; or (iv) monitoring whether Transferred Receivables satisfy the applicable Eligibility Criteria or such other criteria as may be agreed with the Rating Agencies in relation to other Transferred Assets. The CB Trustee will not be liable to any Covered Bondholder or other Secured Creditor for any failure to make or to cause to be made on their behalf the searches, investigations and enquiries which would normally be made by a prudent pledgee in relation to the Security and have no responsibility in relation to the legality, validity, sufficiency and enforceability of the Security and the CB Transaction Documents.

The power of appointing a new director of the CB Trustee shall be vested in the board of directors of the CB Trustee. In case no CB Trustee director is in office, a director shall be appointed by the Covered Bondholders, Receiptholders and Couponholders of any Series then outstanding, by adopting a CB Programme Resolution to this effect. Any appointment of a new director of the CB Trustee shall as soon as practicable thereafter be

notified by the Global Issuer to the CB Principal Paying Agent, the Rating Agencies and the holders of the Covered Bonds then outstanding. A CB Trustee director may resign (*vrijwillig aftreden*) at any time, provided that in case the resigning CB Trustee director was the sole director of the CB Trustee, such resignation will not become effective until a successor CB Trustee director has been appointed. The Covered Bondholders, Receiptholders and Couponholders of any Series then outstanding may, by adopting a CB Programme Resolution to this effect, remove any CB Trustee director, provided that (i) the other Secured Creditors have been notified and (ii) neither the CB Trustee nor the CB Trustee director so removed shall be responsible for any costs or expenses arising from any such removal.

16 FURTHER ISSUES

The Global Issuer shall be at liberty from time to time without the consent of the Covered Bondholders, Receiptholders or the Couponholders to create and issue further bonds having terms and conditions the same as the Covered Bonds of any Series or the same in all respects save for the amount and date of the first payment of interest thereon, issue date and/or purchase price and so that the same shall be consolidated and form a single Series with the outstanding Covered Bonds of such Series.

17 GOVERNING LAW AND SUBMISSION TO JURISDICTION

(a) *Governing law*

The Covered Bonds and the CB Transaction Documents are governed by, and shall be construed in accordance with, the laws of The Netherlands unless specifically stated to the contrary.

(b) *Submission to jurisdiction*

In relation to any legal action or proceedings arising out of or in connection with the Covered Bonds, the Receipts and the Coupons, the Global Issuer irrevocably submits to the jurisdiction of the court of first instance (*rechtbank*) in Amsterdam, The Netherlands. This submission is made for the exclusive benefit of the Covered Bondholders and the CB Trustee and shall not affect their right to take such action or bring such proceedings in any other courts of competent jurisdiction.

18 ADDITIONAL OBLIGATIONS

For as long as the Covered Bonds are listed on Euronext Amsterdam, the Global Issuer will comply with all rules and regulations of Euronext Amsterdam or such other or further stock exchange(s) or markets as may be agreed as in force at the date of the issue of the Covered Bonds.

19 TERMS AND CONDITIONS OF REGISTERED COVERED BONDS

(a) *Applicability of this Condition*

If in the applicable Final Terms it is specified that Registered Covered Bonds are issued, then the following terms and conditions shall apply in addition to the terms and conditions set out in Conditions 1 (*Form, Denomination and Title*) to and including 18 (*Additional Obligations*) above. In the event of any inconsistency between Conditions 1 to and including 18 and this Condition 19, this Condition 19 will prevail with regard to Registered Covered Bonds.

(b) Nature of Registered Covered Bonds

Registered Covered Bonds are registered claims (*vorderingen op naam*) which will be issued to each holder by a Registered Covered Bonds Deed. The holder of a Registered Covered Bond is the creditor of the relevant registered claim and “Covered Bondholder” shall be construed accordingly, provided that if the provision at the end of Condition 19(c) (*Transfer of Registered Covered Bonds*) applies, the transferee shall, from the moment the transfer takes effect be treated as a Covered Bondholder for all purposes, without prejudice to any entitlement of the transferor pursuant to Condition 19(e) (*Discharge of payment obligations*).

(c) Transfer of Registered Covered Bonds

Under Dutch law, the valid transfer of Covered Bonds requires, among other things, delivery (*levering*) thereof, which in the case of Registered Covered Bonds is effected by assignment (*cessie*) of both the rights under the Registered Covered Bonds and the corresponding rights under the CB Guarantee by execution of an assignment deed (*akte*) between the transferor and the transferee and, in the case of a notified assignment, notification (*mededeling*) thereof to the Global Issuer and the CBC. A form of deed of assignment and notification is attached to each Registered Covered Bonds Deed. Registered Covered Bonds may be transferred in whole, but not in part, provided that (i) the relevant transferor and transferee may otherwise agree in the relevant assignment deed in respect of amounts that have accrued but not yet been paid in respect of the period up to the relevant transfer and (ii) in the case of an exchange of an interest in a Registered Covered Bond for a Registered Global Definitive Covered Bond, such part of the relevant Registered Global Covered Bond shall be transferred as corresponds to the relevant Registered Definitive Covered Bond.

(d) Register of holders of Registered Covered Bonds

The Global Issuer shall procure that a register be kept by the CB Registrar in accordance with the provisions of the CB Agency Agreement (the “CB Register”). The CB Registrar shall register details of any holder of Registered Covered Bonds in the CB Register and amend the CB Register to reflect any transfer and/or redemption of Registered Covered Bonds.

(e) Discharge of payment obligations

Payments of principal, interest (if any) and any other amounts in respect of Registered Covered Bonds will be made to the person shown on the CB Register as being entitled to the relevant amount of principal or interest or other amount at the opening of business on the second Business Day falling prior to the due date of such payments. If any Registered Covered Bond holder transfers any Registered Covered Bond in accordance with Condition 19(c) (*Transfer of Registered Covered Bonds*) and the CB Trust Deed and such transfer is notified to the Global Issuer and the CBC prior to the close of business on the fifteenth Business Day before the due date for payment (the “Record Date”), the Global Issuer, the CBC and the CB Trustee will in respect of the Registered Covered Bond so transferred, be discharged from their respective payment obligations only by payment to or to the order of the transferee. If the notification of transfer of the relevant Registered Covered Bond is made after the close of business on the Record Date, (i) the risk that the transfer is not timely recorded in the CB Register is borne by the transferee and (ii) the Global Issuer, the CBC, the CB Trustee, the CB Registrar and the relevant CB Paying Agent shall not be liable as a result of any payment being made to the person shown in the CB Register in accordance with this Condition.

(f) Notices to holders of Registered Covered Bonds

Notices to holders of Registered Definitive

Covered Bonds shall be mailed or faxed to them at their respective addresses as recorded in the CB Register and shall be deemed to have been given on the fourth Business Day (being a day other than a Saturday or a Sunday) after the date of mailing and if and for so long as the Registered Covered Bonds are listed on Euronext Amsterdam will be published in the Daily Official List of Euronext Amsterdam.

Until such time as any Registered Definitive Covered Bonds are issued, there may, so long as the Registered Covered Bond(s) is or are held in its or their entirety through DTC (or a nominee on its behalf), be substituted for such publication in any newspaper or website the delivery of the relevant notice to DTC (or a nominee on its behalf) for communication by them to the holders of the beneficial interests in Registered Covered Bonds and, in addition, for so long as any Registered Covered Bonds are listed on Euronext Amsterdam, such notice will be published in the Daily Official List of Euronext Amsterdam. Any such notice delivered on or prior to 4.00 p.m. (local time) on a Business Day in the city in which it is delivered will be deemed to have been given to the holders of the Registered Covered Bonds on such Business Day. A notice delivered after 4.00 p.m. (local time) on a Business Day in the city in which it is delivered will be deemed to have been given to the holders of the Registered Covered Bonds on the next following business day in such city.

(g) *DTC*

For so long as any of the Registered Covered Bonds are represented by a Registered Global Covered Bond registered in the name of The Depository Trust Company (“DTC”) (or a nominee on its behalf), each person (other than DTC (or a nominee on its behalf)) who is for the time being shown in the records of DTC as the holder of a particular nominal amount of such Registered Covered Bonds (in which regard any certificate or other document issued by DTC as to such nominal amount of such Registered Covered Bonds standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Global Issuer, the CBC, the CB Paying Agents and the CB Trustee as the holder of such nominal amount of such Registered Covered Bonds for all purposes other than with respect to the payment of principal or interest or other amounts on such nominal amount of such Registered Covered Bonds and voting rights, giving consents and making requests, for which purpose the registered holder of the relevant Registered Global Covered Bond shall be treated by the Global Issuer, the CBC, any CB Paying Agent and the CB Trustee as the holder of such nominal amount of such Registered Covered Bonds in accordance with and subject to the terms of the relevant Registered Covered Bonds Deed and the expressions “Covered Bondholder” and “holder of Covered Bonds” and related expressions shall be construed accordingly. In determining whether a particular person is entitled to a particular nominal amount of Registered Covered Bonds as aforesaid, the CB Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error or an error established as such to the satisfaction of the CB Trustee, be conclusive and binding on all concerned. Registered Covered Bonds which are represented by a Registered Global Covered Bond will be transferable only in accordance with the rules and procedures for the time being of DTC.

(h) *Payments in respect of Registered Global Covered Bonds*

All amounts payable to DTC (or a nominee on its behalf) as holder of a Registered Global Covered Bond in respect of Covered Bonds denominated in a Specified Currency other than U.S. Dollars shall be paid by transfer by the CB Registrar to an account in the relevant Specified Currency of one or more of the transfer agents (the “CB Transfer Agents”) on behalf of DTC (or a nominee on its behalf) for payment in such Specified Currency or conversion into U.S. Dollars in accordance with the provisions of the CB Agency Agreement.

(i) *Payment Days*

For the purpose of Condition 5(e) (*Payment Day*), “Payment Day” means any day which (subject to Condition 8 (*Prescription*)) is in the case of any payment in respect of a Restricted Global Covered Bond denominated in a Specified Currency other than U.S. Dollars and registered in the name of DTC (or a nominee on its behalf) and, in respect of which an accountholder of DTC (with an interest in such Restricted Global Covered Bond) has elected to receive any part of such payment in U.S. Dollars, not a day on which banking institutions are authorised or required by law or regulation to be closed in New York City.

(j) *Transfer and Exchange of Registered Global Covered Bonds*

Registered Covered Bonds of each Tranche sold outside the United States to non-U.S. persons in accordance with Regulation S under the United States Securities Act of 1933, as amended (the “Securities Act”) will be represented by a permanent global Covered Bond in registered form (the “Reg. S Global Covered Bond”) issued pursuant to a Registered Covered Bonds Deed and Registered Covered Bonds of each Tranche sold to qualified institutional buyers (“QIBs”) (within the meaning of Rule 144A under the Securities Act (“Rule 144A”)) in reliance on Rule 144A or to other U.S. persons in transactions exempt from the registration requirements of the Securities Act will be represented by a permanent restricted global Covered Bond in registered form (the “Restricted Global Covered Bond” and, together with the “Reg. S Global Covered Bond”, the “Registered Global Covered Bonds”) issued pursuant to a Registered Covered Bonds Deed. Only Covered Bonds (to be) sold in reliance on Rule 144A can be sold in the United States or to U.S. persons in accordance with Rule 144A. Beneficial interests in a Registered Global Covered Bond will be exchangeable and transferable only in accordance with the rules and operating procedures for the time being of DTC (the “Applicable Procedures”).

Owners of beneficial interests in the Reg. S Global Covered Bond may transfer such interests, or may exchange such interests for beneficial interests in the Restricted Global Covered Bond, and owners of beneficial interests in the Restricted Global Covered Bond may transfer such interests, or may exchange such interests for beneficial interests in the Reg. S Global Covered Bond, in each case subject as provided below, to the provisions of the relevant Registered Covered Bonds Deed and to the Applicable Procedures.

In the case of Registered Definitive Covered Bonds issued in exchange for interests in the Restricted Global Covered Bond, the assignment deed pertaining to such exchange shall in relation to the relevant Registered Definitive Covered Bonds bear the legend set forth on the Registered Covered Bonds Deed pertaining to such Restricted Global Covered Bond (the “Legend”). Upon the transfer or exchange of Registered Covered Bonds whose Registered Covered Bonds Deed or assignment agreement, as the case may be, is bearing the Legend or upon specific request for removal of the Legend, the Legend shall be maintained unless there is delivered to the Global Issuer such satisfactory evidence as may reasonably be required by the Global Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

Interests in a Registered Global Covered Bond will be exchangeable, in whole but not in part, for Registered Definitive Covered Bonds if (i) DTC notifies the Issuer that it is unwilling or unable to continue as depositary with respect to such Registered Global Covered Bond, (ii) DTC ceases to be a “Clearing Agency” registered under the Securities Exchange Act of 1934, as amended, or announces its intention permanently to cease business, and a successor depositary or alternative clearing system satisfactory to the Global Issuer and the CB Principal Paying Agent is not available or (iii) a Global Issuer Event of Default has occurred and is continuing with respect to such Covered Bonds. Upon the

occurrence of any of the events described in the preceding sentence, the Global Issuer will cause the appropriate interests in the relevant Registered Global Covered Bond to be exchanged for Registered Definitive Covered Bonds in accordance with the CB Agency Agreement, the CB Trust Deed and the relevant Registered Covered Bonds Deed.

If a holder of a beneficial interest in a Reg. S Global Covered Bond wishes at any time to exchange its interest in such Reg. S Global Covered Bond for an equivalent interest in a Restricted Global Covered Bond, or to transfer its interest, in whole or in part, such holder may, subject to the rules and procedures of the CB Registrar and in accordance with the CB Agency Agreement, the CB Trust Deed and the relevant Registered Covered Bonds Deed, exchange or transfer, as the case may be, such interest upon certification to the effect that (i) the exchange or transfer of such interest has been made in compliance with the transfer restrictions applicable to the Registered Covered Bond under U.S. law and pursuant to and in accordance with Regulation S, where applicable, and (ii) if applicable, such exchange has been made in compliance with the requirements of Rule 144A.

Transfers between participants in DTC will be effected in the ordinary way in accordance with the Applicable Procedures and will be settled in same-day funds.

Transfers by the owner of a beneficial interest in a Restricted Global Covered Bond to a transferee who takes delivery of such interest through the Reg. S Global Covered Bond will be made only upon receipt by the CB Registrar of a written certification from the transferor to the effect that such transfer is being made in accordance with Regulation S or, if applicable, that the interest in the Covered Bond being transferred is not a “restricted security” within the meaning of Rule 144A. Investors holding a beneficial interest in a Restricted Global Covered Bond who propose any such transfer must notify the CB Registrar and, subject to compliance with the provisions of the CB Agency Agreement, the CB Trust Deed and the relevant Registered Covered Bonds Deed, the CB Registrar shall take such action as appropriate to register the transfer of such beneficial interest in the Covered Bonds to or for the account of the purchaser. The Global Issuer shall not permit any such transfers unless there is delivered to the Global Issuer such satisfactory evidence as may reasonably be required by the Global Issuer, which may include an opinion of U.S. counsel that such transfer is in compliance with the Securities Act; provided however, that the restriction in this sentence shall not apply to any transfers of an interest in a Covered Bond pursuant to Regulation S or of an interest in a Covered Bond which does not constitute a restricted security, within the meaning of Rule 144A.

Upon the terms and subject to the conditions set forth in the CB Agency Agreement, a Registered Definitive Covered Bond initially represented by a Registered Global Covered Bond may be transferred in whole or in part upon the CB Registrar, after due and careful enquiry, being satisfied with the documents of title and the identity of the person making the request and subject to such reasonable regulations as the Global Issuer and the CB Registrar may prescribe, including any restrictions imposed by the Global Issuer on transfers of Registered Covered Bonds originally sold to a U.S. person. In addition, if the Registered Definitive Covered Bond being transferred is the object of a Registered Covered Bonds Deed or an assignment deed, as the case may be, containing a Legend, additional certificates, to the effect that such exchange or transfer is in compliance with the restrictions contained in such Legend, may be required.

The costs and expenses of effecting any exchange or registration of transfer pursuant to the foregoing provisions (except for the expenses of delivery by other than regular mail (if any) and, if the Global Issuer shall so require, for the payment of a sum sufficient to cover any tax or other governmental charge or insurance charges that may be imposed in relation thereto which will be borne by the Covered Bondholder) will be borne by the Global Issuer.

PART 2: FORM OF FINAL TERMS FOR COVERED BONDS

Set out below is the form of Final Terms which, subject to any necessary amendment, will be completed for each Tranche of Covered Bonds issued under the Covered Bond Programme.

[Date]

ING Bank N.V.

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

Issue of [Aggregate Nominal Amount of Tranche] [Title of Covered Bonds]

**Guaranteed as to payment of principal and interest by
ING Covered Bond Company B.V.
under the EUR 80,000,000,000 Global Issuance Programme**

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in Chapter 22, Part 1 of the Base Prospectus dated 28 September 2007 [and the supplemental Base Prospectus dated [•]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”). This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer, the CBC and the offer of the Covered Bonds is only available on the basis of the combination of these Final Terms and Chapters 1, 1A and 22 of the Base Prospectus, [as so supplemented]. [The Base Prospectus [and the supplemental Base Prospectus] is [are] available for viewing [at [website]] [and] during normal business hours at [address] [and copies may be obtained from [address]]].

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “Conditions”) set forth in Schedule [•] to this document. This document constitutes the Final Terms of the Covered Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”) and must be read in conjunction with the Base Prospectus dated 28 September 2007 and the supplemental Base Prospectus dated [•], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are replaced by the conditions set forth in Schedule [•] to this document. Full information on the Issuer, the CBC and the offer of the Covered Bonds is only available on the basis of the combination of these Final Terms and Chapters 1, 1A and 22 of the Base Prospectus dated 28 September 2007 [and the supplemental Base Prospectus dated [•]] save in respect of the Conditions which are replaced by the conditions set forth in Schedule [•] to this document. [The Base Prospectus [and the supplemental Base Prospectus] is [are] available for viewing [at [website]] [and] during normal business hours at [address] [and copies may be obtained from [address]]].

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs. Italics denote guidance for completing the Final Terms.]

[When completing final terms or adding any other final terms or information, consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

- | | | | |
|----|--------|---|---|
| 1. | (i) | Issuer: | ING Bank N.V. |
| | (ii) | CBC: | ING Covered Bond Company B.V. |
| 2. | [(i)] | Series Number: | [] |
| | [(ii)] | Tranche Number: | [] |
| | | <i>(If fungible with an existing Series, details of that Series, including the date on which the Covered Bonds become fungible)</i> | |
| 3. | | Specified Currency or Currencies: | [] |
| 4. | | Aggregate Nominal Amount: | |
| | [(i)] | Series: | [] |
| | [(ii)] | Tranche: | [] |
| 5. | | Issue Price: | [] per cent. of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> (if applicable)] |

6. (i) Specified Denominations: [] *(At least EUR 50,000 or, in the case of Registered Covered Bonds (initially) represented by a Restricted Global Covered Bond, at least the euro equivalent of US\$ 100,000 (or any such other higher amounts as may be required), and in either case in integral multiples of EUR 1,000 or the euro equivalent of US\$ 1,000, as the case may be, in excess thereof).*
- (ii) Calculation Amount: [] *[If only one Specified Denomination, the Specified Denomination. If more than one Specified Denominations insert the largest common factor. Where multiple denominations above EUR 50,000 (or equivalent) are being used the following sample wording should be followed: EUR 50,000 (or the relevant higher denomination) and integral multiples of [EUR 1,000] in excess thereof up to and including [EUR 99,000] (or twice the relevant higher denomination minus EUR 1,000). No Covered Bonds in definitive form will be issued with a denomination above [EUR 99,000] (or twice the relevant higher denomination minus EUR 1,000).]*
7. [(i)] Issue Date: []
- [(ii)] Interest Commencement Date: [specify / Issue Date / Not Applicable]
8. (i) CB Final Maturity Date: [specify date or (for Floating Rate Covered Bonds) Interest Payment Date falling in or nearest to the relevant month and year]
- (ii) Bullet Maturity: [Hard/Soft] *[If soft bullet is applicable, Extended Due for Payment Date is also applicable]*
- Extended Due for Payment Date [Applicable/Not Applicable] *[If applicable (for Covered Bonds with a soft bullet maturity only: specify date or (for Floating Rate Covered Bonds) Interest Payment Date falling in or nearest to [specify month; in each case falling [one year] after the CB Final Maturity Date and, if in relation to Zero Coupon or if otherwise applicable, specify interest basis as referred to in Condition 3(b)].*
9. Interest Basis: [[] per cent. Fixed Rate]
 [[specify reference rate] +/- [] per cent. Floating Rate]
 [Zero Coupon]
 [Index Linked Interest]
 [Share Linked Interest]
 [Dual Currency Interest]
 [Other (specify)]
 (further particulars specified below)

10. Redemption/Payment Basis: [Redemption at par]
[Index Linked Redemption]
[Share Linked Redemption]
[Dual Currency Redemption]
[Partly Paid]
[Other (*specify*)]
11. Change of Interest Basis or Redemption/ Payment Basis: (*Specify details of any provision for convertibility of Covered Bonds into another interest or redemption/payment basis*)
12. Call Options: [Issuer Call]
[(further particulars specified below)]
13. (i) Status of the Covered Bonds: Unsubordinated, unsecured, guaranteed
(ii) Status of the Guarantee: Unsubordinated, secured (indirectly, through a parallel debt), unguaranteed
14. Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. **Fixed Rate Covered Bond Provisions** [Applicable/Not Applicable]
(*If not applicable, delete the remaining subparagraphs of this paragraph*)
- (i) Rate[(s)] of Interest: [] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [] in each year up to and including [*include if Covered Bond with a hard bullet maturity: CB Final Maturity Date*] / [*include if Covered Bond with a soft bullet maturity: Extended Due for Payment Date, if applicable*]. [adjusted in accordance with (*specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"*)/not adjusted]
- (iii) Fixed Coupon Amount(s): [] per Calculation Amount
- (iv) Broken Amount(s): [] per Calculation Amount payable on the Interest Payment Date falling [in/ on] []
- (v) Day Count Fraction: [30/360 or Actual/Actual (ISMA) or *specify other*]
- (vi) Determination Date(s): [] in each year
(*Insert regular Interest Payment Dates, ignoring issue date or maturity date in the case of a long or short first or last Coupon*)
NB: This will need to be amended in the case of regular Interest Payment Dates which are not of equal duration
NB: Only relevant where Day Count Fraction is Actual/Actual (ISMA))

- (vii) Other terms relating to the method of calculating interest for Fixed Rate Covered Bonds: [Not applicable/*give details*]
16. **Floating Rate Covered Bond Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Interest Period(s): []
- (ii) [Specified Interest Payment Dates / Specified Period]: *NB: Specify the Specified Period(s) and Specified Interest Payment Dates up to and including [if Covered Bond with a hard bullet maturity: Final Maturity Date] / [if Covered Bond with a soft bullet maturity: Extended Due for Payment Date, if applicable]*
- (iii) [First Interest Payment Date]: []
- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
- (v) Additional Business Centre(s): []
- (vi) Manner in which the Rate(s) of Interest and Interest Amount(s) is/are to be determined: [Screen Rate Determination/ISDA Determination/other (*give details*)]
- (vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Agent): [] shall be the Calculation Agent
- (viii) Screen Rate Determination:
- Reference Rate: []
(Either LIBOR, EURIBOR or other, although additional information is required if other - including fallback provisions in the Agency Agreement)
- Interest Determination Date(s): []
(Second Business Day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
NB: specify the Specified Period(s) specified interest Payment Dates up to and including [if Covered Bond with a hard bullet maturity: CB Final Maturity Date] / [if Covered Bond with a soft bullet maturity: Extended Due for Payment Date, if applicable]

- Relevant Screen Page: []
(In the case of EURIBOR, if not Moneyline Telerate Page 248 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)
- (ix) ISDA Determination:
- Floating Rate Option: []
- Designated Maturity: []
- Reset Date: []
- (x) Margin(s): [+/ -] [] per cent. per annum
- (xi) Minimum Rate of Interest: [] per cent. per annum
- (xii) Maximum Rate of Interest: [] per cent. per annum
- (xiii) Day Count Fraction: [Actual/365 Actual/365 (Fixed)
 Actual/365 (Euro)
 Actual/360
 30/360
 30E/360
 Other]
(See Condition 4 for alternatives)
- (xiv) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Covered Bonds, if different from those set out in the Conditions: []
17. **Zero Coupon Covered Bond Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) [Amortisation/Accrual] Yield: [] per cent. per annum
- (ii) Reference Price: []
- (iii) Any other formula/basis of determining amount payable []
- (iv) Day Count Fraction in relation to Early Redemption Amounts and late payments: [Conditions [6(e)(iii)] and [(j)] apply/specify other]
(Consider applicable day count fraction if not U.S. dollar denominated)

18. **Index Linked Interest Covered Bond/ other variable linked interest Covered Bond Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Index/Formula/other variable: [give or annex details]
 - (ii) Calculation Agent responsible for calculating the interest due: []
 - (iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable: []
 - (iv) Determination Date(s): []
 - (v) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [] (need to include a description of market disruption or settlement disruption events and adjustment provisions)
 - (vi) Interest or calculation period(s): []
 - (vii) Specified Interest Payment Dates: []
 - (viii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
 - (ix) Additional Business Centre(s): []
 - (x) Minimum Rate/Amount of Interest: [] per cent. per annum
 - (xi) Maximum Rate/Amount of Interest: [] per cent. per annum
 - (xii) Day Count Fraction: []
19. **Share Linked Interest Covered Bond Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Equity Formula: [give or annex details]
 - (ii) Calculation Agent responsible for calculating the interest due: []
 - (iii) Provisions for determining [] (need to include a description of market disruption or

- Coupon where calculation by reference to Equity Formula is impossible or impracticable: *settlement disruption events and adjustment provisions)*
- (iv) Interest Period(s): []
 - (v) Specified Interest Payment Dates: []
 - (vi) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other *(give details)*]
 - (vii) Additional Business Centre(s): []
 - (viii) Minimum Rate of Interest: [] per cent. per annum
 - (ix) Maximum Rate of Interest: [] per cent. per annum
 - (x) Day Count Fraction: []
20. **Dual Currency Interest Covered Bond Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Rate of Exchange/method of calculating Rate of Exchange: *(give details)*
 - (ii) Calculation Agent responsible for calculating the principal and/or interest due: []
 - (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [] *(need to include a description of market disruption or settlement disruption events and adjustment provisions)*
 - (iv) Person at whose option Specified Currency(ies) is/are payable: []

PROVISIONS RELATING TO REDEMPTION

21. **Issuer Call** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Optional Redemption Date(s): []
 - (ii) Optional Redemption Amount(s) of each Covered Bond and method, if any, of calculation of such amount(s): [] per Calculation Amount

- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: [] per Calculation Amount
- (b) Maximum Redemption Amount: [] per Calculation Amount
- (iv) Notice period (if other than as set out in the Conditions): []
(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer will consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)
22. **Final Redemption Amount of each Covered Bond** [] per Calculation Amount
- In cases where the Final Redemption Amount is Index-Linked or other variable-linked:
- (i) Index/Formula/variable: [give or annex details]
- (ii) Calculation Agent responsible for calculating the Final Redemption Amount: []
- (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: []
- (iv) Determination Date(s): []
- (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: []
- (vi) Payment Date: []
- (vii) Minimum Final Redemption Amount: [] per Calculation Amount

- (viii) Maximum Final Redemption Amount: [] per Calculation Amount
23. **Early Redemption Amount of each Covered Bond** []
- Early Redemption Amount(s) of per Calculation Amount payable on redemption for taxation reasons, or on acceleration following an Issuer Event of Default as against the Issuer or a CBC Event of Default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions: []
- GENERAL PROVISIONS APPLICABLE TO THE COVERED BONDS**
24. Form of Covered Bonds: [Bearer form/registered form¹] (*Delete as appropriate*)
 [Temporary Global Covered Bond exchangeable for a Permanent Global Covered Bond which is exchangeable for Bearer Definitive Covered Bonds only upon an Exchange Event.] [Registered Covered Bonds, issued to each holder by a Registered Covered Bonds Deed.] [[Registered Global Covered Bonds: Reg.S. Global Covered Bond (U.S.\$[•] nominal amount/Restricted Global Covered Bond (U.S.\$[•] nominal amount)] (*Delete as appropriate*)
25. New Global Note [Yes/No]²

¹ Include for Registered Definitive Covered Bonds.

² If “No” is specified here ensure that “Not Applicable” is specified for Eurosystem eligibility in the relevant paragraph of section 9 of Part B of the Final Terms and if “Yes” is specified here ensure that the appropriate specification is made in respect of Eurosystem eligibility in the relevant paragraph of section 9 of Part B of the Final Terms.

26. Exclusion of set-off [Not applicable/give details]
- [See Condition 5(g). If set-off is excluded for the purpose of Registered Definitive Covered Bonds to be issued to German insurers, insert: “The Issuer and the CBC each hereby waive, for the benefit of all present and future holders of the Registered Definitive Covered Bonds, any right to set-off (*verrekenen*, in German: *aufrechnen*) any amount against, any right to retain (*inhouden*, in German: *zurückbehalten*) any amount from, and any right of pledge (*pandrecht*, in German: *Pfandrecht*), including but not limited to any right of pledge created under the Issuer’s General Banking Conditions with regard to, any amount it owes under or in respect of the Registered Definitive Covered Bonds.
- This waiver (i) applies as far as and as long as the Registered Definitive Covered Bonds are part of the security funds (*Sicherungsvermögen*) and the other restricted assets (*sonstiges gebundenes Vermögen*) within the meaning of section 54 of the German Insurance Supervisory Act (*Versicherungsaufsichtsgesetz*) in connection with the German Regulation on the Investment of the Restricted Assets of Insurance Companies (*Verordnung über die Anlage des gebundenen Vermögen von Versicherungsunternehmen*) also in case of an insolvency and (ii) prevails over any present or future agreement with a conflicting content, save in the case of future agreements only, where such future agreement has a conflicting content which explicitly refers to this specific waiver.”
27. Additional Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details]
- (Note that this item relates to the date and place of payment and not Interest Period end dates to which items 15(ii), 16(iv), 18 (ix) and 19(vii) relate)
28. Talons for future Coupons or Receipts to be attached to Bearer Definitive Covered Bonds (and dates on which such Talons mature): [Yes/No. If yes, give details]

- | | | |
|-----|---|---|
| 29. | Details relating to Partly Paid Covered Bonds: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Covered Bonds and interest due on late payment: | [Not Applicable/give details. <i>NB: a new form of Temporary Global Covered Bond and/or Permanent Global Covered Bond may be required for Partly Paid issues</i>] |
| 30. | Details relating to Instalment Covered Bonds: amount of each instalment, comprising the Issue Price and date on which each payment is to be made: | [Not Applicable/give details] |
| 31. | Consolidation provisions: | [Not Applicable/The provisions [in Condition [•]] [annexed to these Final Terms] apply] |
| 32. | Other final terms: | <p>[Not Applicable/give details]</p> <p><i>(When adding any other final terms consideration should be given as to whether such terms constitute a “significant new factor” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)</i></p> |

DISTRIBUTION

- | | | |
|-----|--|---|
| 33. | (i) If syndicated, names of Managers: | [Not Applicable/give names] |
| | (ii) Stabilising Manager(s) (if any): | [Not Applicable/give name] |
| 34. | If non-syndicated, name of relevant Dealer(s): | [Not Applicable/give name] |
| 35. | Applicable Netherlands / Global selling restriction: | [Not Applicable/specify <i>(Note that depending on the exemption used, specific wording may need to be included.)</i>] |
| 36. | Additional selling restrictions: | [Not Applicable/give details] |

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and] public offer in [*Jurisdictions into which public offer is to be made*] [and] [admission to trading on [*specify relevant regulated market*]] of Covered Bonds described herein] pursuant to the Global Issuance Programme of ING Bank N.V.

RESPONSIBILITY

The Issuer and the CBC accept responsibility for the information contained in these Final Terms. (*Relevant third party information*) has been extracted from (*specify source*). Each of the Issuer and the CBC confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by (*specify source*), no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of the Issuer:

By:

Duly authorised

By:

Duly authorised

Signed on behalf of the CBC:

By:

Duly authorised

By:

Duly authorised

PART B – OTHER INFORMATION

1 LISTING

- (i) Listing [Euronext Amsterdam/
other (*specify*)/ None]

- (ii) Admission to trading:

[Application has been made by the Global Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on [*specify relevant regulated market*] with effect from [].][Application is expected to be made by the Global Issuer (or on its behalf) for the Covered Bonds to be admitted to trading on [*specify relevant regulated market*] with effect from [].]
[Not Applicable.]

(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)

- (ii) Estimate of total expenses related to admission to trading:

[]

2 RATINGS

Ratings:

The Covered Bonds to be issued have been rated:

[Moody's: []]

[Standard & Poor's: []]

[Fitch: []]

[[Other]: []]

(The above disclosure should reflect the rating allocated to Covered Bonds issued under the Programme generally or, where the issue has been specifically rated, that rating.)

3 [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

“Save as discussed in [*Subscription and Sale*], so far as the Issuer is aware, no person involved in the issue of the Covered Bonds has an interest material to the offer.” – *Amend as appropriate if there are other interests*]

[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

4 [REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- | | | |
|---------|---------------------------|--|
| [(i)] | Reasons for the offer: | <i>(See [“Use of Proceeds”] wording in Base Prospectus - if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]</i> |
| [(ii)] | Estimated net proceeds: | []
<i>(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to find all proposed uses state amount and sources of other funding.)</i> |
| [(iii)] | Estimated total expenses: | []
<i>[Include breakdown of expenses]
[If Covered Bonds are derivatives securities for which Annex XII of the Prospectus Directive Regulation applies it is] only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)</i> |

5 [YIELD (Fixed Rate Covered Bonds only)]

Indication of yield: [●]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

6 [PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING (Index Linked or other variable-linked Covered Bonds only)]

Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained. Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained. Where the underlying is not an index need to include equivalent information.] [Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]

[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained] [does not intend to provide post-issuance information.

7 [PERFORMANCE OF RATE[S] OF EXCHANGE (Dual Currency Covered Bonds only)]

Need to include details of where past and future performance and volatility of the relevant rate[s] can be obtained.]

[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

8 OPERATIONAL INFORMATION

- | | |
|---|--|
| (i) ISIN Code: | [] |
| (ii) Common Code: | [] |
| (iii) Fondscod: | [] |
| (iv) [Other relevant code:] | [] |
| (v) New Global Note intended to be held in a manner which would allow Eurosystem eligibility: | <p>[Not Applicable / Yes/No]</p> <p>[Note that the designation “Yes” simply means that the Covered Bonds are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safe-keeper and does not necessarily mean that the Covered Bonds 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.][Include this text if “Yes” selected in which case the Notes must be issued in NGN form]</p> |

- (vi) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*] [The Depository Trust Company]
- (vii) Delivery: Delivery [against/free of] payment
- (viii) Names and addresses of initial Paying Agent(s) []
- (ix) Names and addresses of additional Paying Agent(s) (if any): []

Accrual Period	1484
Amortised Face Amount	1496
Applicable Procedures	1512
Bearer Covered Bonds	1480
Bearer Definitive Covered Bonds	1481
Business Day	1486
Calculation Date	1501
Calculation Period	1501
CB Agency Agreement	1479
CB Agents	1479
CB Final Maturity Date	1485
CB Guarantee	1482
CB Programme Resolution	1507
CB Register	1510
CB Trust Deed	1479
CBC Acceleration Notice	1500
CBC Event of Default	1500
CBC Payment Date	1501
Clearing Agency	1512
Clearstream, Luxembourg	1481
Conditions	1515
Couponholders	1480
Coupons	1479
Covered Bondholders	1480
Day Count Fraction	1484
Definitive Covered Bonds	1481
Designated Maturity	1487
Determination Period	1485
DTC	1511
Early Redemption Amount	1495
EURIBOR	1487

Euroclear	1481
Euronext Amsterdam	1504
Excess Proceeds	1500
Existing Covered Bonds	1497
Extended Due for Payment Date	1484
Extension Date	1482
Extraordinary Resolution	1507
Final Redemption Amount	1494
Fixed Interest Period	1485
Floating Rate	1487
Floating Rate Convention	1486
Floating Rate Option	1487
Following Business Day Convention	1486
Global Covered Bond	1481
Global Issuer Event of Default	1499
Guaranteed Final Redemption Amount	1484
HB Covered Bond	1481
holder of Covered Bonds	1481
Incorporated Terms Memorandum	1480
Interest Payment Date	1485
Interest Period	1485
ISDA Definitions	1487
ISDA Rate	1487
Issuer Acceleration Notice	1499
Legend	1512
Legislative Exchange	1497
LIBOR	1487
Long Maturity Covered Bond	1492
Master Definitions Schedule	1480
Modified Following Business Day Convention	1486
New Covered Bonds	1497
Notice to Pay	1500

Payment Day	1493
Potential CBC Event of Default	1508
Potential Global Issuer Event of Default	1508
Preceding Business Day Convention	1486
Principal Amount Outstanding	1485
Prospectus Directive	1515
QIBs	1512
Receiptholders	1480
Receipts	1479
Record Date	1510
Redeemed Covered Bonds	1495
Reg. S Global Covered Bond	1512
Registered Covered Bonds	1480
Registered Covered Bonds Deed	1481
Registered Definitive Covered Bonds	1481
Registered Global Covered Bonds	1512
Relevant Date	1498
Reset Date	1487
Restricted Global Covered Bond	1512
Rule 144A	1512
SB Covered Bond	1481
Securities Act	1512
Selection Date	1495
Series	1480
Series Reserved Matter	1505
sub-unit	1485
Talons	1479
TARGET System	1486
Tax Jurisdiction	1498
Tranche	1480

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