

IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE U.S.

NOT FOR DISTRIBUTION TO ANY PERSON THAT IS NOT A QUALIFIED INVESTOR WITHIN THE MEANING OF
THE PROSPECTIVE DIRECTIVE
IF YOU ARE NOT A QUALIFIED INVESTOR, DO NOT CONTINUE

IMPORTANT: You must read the following before continuing. The following applies to the prospectus following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the prospectus. In accessing the prospectus, you agree to be bound by the following terms and conditions, including, any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your Representation: In order to be eligible to view this prospectus or make an investment decision with respect to the securities, investors must not be a U.S. person (within the meaning of Regulation S under the Securities Act). This prospectus is being sent at your request and by accepting the e-mail and accessing this prospectus, you shall be deemed to have represented to us that you are not a U.S. person, the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the U.S. (including, but not limited to, Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any States of the United States or the District of Columbia and that you consent to delivery of such prospectus by electronic transmission.

You are reminded that this prospectus has been delivered to you on the basis that you are a person into whose possession this prospectus may be lawfully delivered in accordance with the laws of jurisdiction in which you are located and you may not, nor are you authorised to, deliver this prospectus to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of the Issuer in such jurisdiction.

This prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither Dutch MBS XVII B.V., Credit Suisse Securities (Europe) Limited, Jefferies International Limited nor NIBC Bank N.V. nor any person who controls it nor any director, officer, employee nor agent of it or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the prospectus distributed to you in electronic format and the hard copy version available to you on request from Dutch MBS XVII B.V., Credit Suisse Securities (Europe) Limited, Jefferies International Limited or NIBC Bank N.V.

Dutch MBS XVII B.V. as Issuer

(incorporated with limited liability in the Netherlands)

	Class A1	Class A2	Class B	Class C	Class D	Class E	Class F
Principal Amount	EUR 135,000,000	EUR 365,000,000	EUR 8,000,000	EUR 7,000,000	EUR 5,000,000	EUR 6,500,000	EUR 2,700,000
Issue Price	100 per cent.	100 per cent.	100 per cent.	100 per cent.	100 per cent.	100 per cent.	100 per cent.
Interest rate until	three month	three month	three month	three month	three month	three month	three month
First	Euribor plus	Euribor plus	Euribor plus	Euribor plus	Euribor plus	Euribor plus	Euribor plus
Optional	0.75 per cent.	1.35 per cent.	2.00 per cent.	2.25 per cent.	2.50 per cent.	2.75 per cent.	3.00 per cent.
Redemption Date	per annum	per annum	per annum	per annum	per annum	per annum	per annum
Interest rate after	three month	three month	three month	three month	three month	three month	three month
First	Euribor plus	Euribor plus	Euribor plus	Euribor plus	Euribor plus	Euribor plus	Euribor plus
Optional	1.50 per cent.	2.70 per cent.	0.00 per cent.	0.00 per cent.	0.00 per cent.	0.00 per cent.	0.00 per cent.
Redemption Date	per annum	per annum	per annum	per annum	per annum	per annum	per annum
Expected ratings	'AAA' sf /	'AAA' sf /	'AA+' sf /	'A+' sf /	'BBB+' sf /	'B' sf /	NR /
(Fitch /	'Aaa (sf)'	'Aaa (sf)'	'Aa1 (sf)'	'Aa3 (sf)'	'A2 (sf)'	'Ba1 (sf)'	NR
Moody's)							
First Optional	Notes	Notes	Notes	Notes	Notes	Notes	Notes
Redemption Date	Payment Date	Payment	Payment	Payment	Payment	Payment	Payment
	falling in	Date falling in	Date falling in	Date falling in	Date falling in	Date falling in	Date falling in
	October 2017	October 2017	October 2017	October 2017	October 2017	October 2017	October 2017
Final Maturity	October 2044	October 2044	October 2044	October 2044	October 2044	October 2044	October 2044
Date							

HypInvest B.V., Seyst Hypotheken B.V., Royal Residentie Hypotheken B.V. and Amstelstaete Hypotheken B.V. as Sellers

Closing Date	The Issuer will issue the Notes in the classes set out above on 3 October 2012 (or such later date as may be agreed between the Issuer and NIBC) (the " Closing Date ").
Underlying Assets	The Issuer will make payments on the Notes from, <i>inter alia</i> , payments of principal and interest received from a portfolio comprising mortgage loans originated by the Sellers and Zwitterleven and secured over residential properties located in the Netherlands. Legal title to the resulting Mortgage Receivables will be assigned to the Issuer on the Closing Date and, subject to certain conditions being met, during a period from the Closing Date until but excluding the Final Maturity Date. See <i>Description of Mortgage Loans</i> for more details.
Security for the Notes	The Noteholders will, together with the other Secured Creditors, benefit from security rights created in favour of the Security Trustee over, <i>inter alia</i> , the Mortgage Receivables and the Issuer Rights (see <i>Security</i>).
Denomination	The Notes will have a minimum denomination of EUR 100,000 and in integral multiples of EUR 1,000 in excess thereof.
Form	The Notes will be in bearer form. The Notes will be represented by Global Notes, without coupons attached. Interests in the Global Notes will only in limited circumstances be exchangeable for Notes in definitive form.
Interest	The Notes will carry floating rates of interest as set out above, payable quarterly in arrear on each Notes Payment Date. See further Condition 4 (<i>Interest</i>).

Redemption Provisions	Payments of principal on the Notes will be made quarterly in arrear on each Notes Payment Date in the circumstances set out in, subject to and in accordance with the Conditions. The Notes will mature on the Final Maturity Date. On the First Optional Redemption Date and each Optional Redemption Date thereafter and in certain other circumstances, the Issuer will have the option to redeem all of the Notes (other than the Class F Notes). See further Condition 6 (<i>Redemption</i>).
Subscription and Sale	The Class A Managers (or their affiliates) have agreed to purchase, subject to certain conditions precedent being satisfied, the Class A Notes. Furthermore, the Class B, C, D, E and F Manager has agreed, subject to certain conditions precedent being satisfied, to purchase the Notes, other than the Class A Notes.
Credit Rating Agencies	Each of Fitch and Moody's (Fitch together with Moody's, the " Credit Rating Agencies ") is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the " CRA Regulation "). As such each of the Credit Rating Agencies is included in the list of credit rating agencies published by the European Securities and Markets Authority (" ESMA ") on its website in accordance with the CRA Regulation.
Ratings	<p>Ratings will be assigned to the Notes, other than the Class F Notes, as set out above on or before the Closing Date.</p> <p>The ratings of the Notes, other than the Class F Notes, addresses the assessment made by Fitch and Moody's of the likelihood of full and timely payment of interest and ultimate payment of principal on or before the Final Maturity Date, but does not provide any certainty nor guarantee.</p> <p>The assignment of ratings to the Notes, other than the Class A Notes, is not a recommendation to invest in the Notes. Any credit rating assigned to the Notes may be reviewed, revised, suspended or withdrawn at any time. Any such review, revision, suspension or withdrawal could adversely affect the market value of the Notes.</p>
Listing	<p>Application has been made to list the Notes, other than the Class F Notes, on Euronext Amsterdam. The Class F Notes will not be listed.</p> <p>This prospectus (the "Prospectus") has been approved by the AFM and constitutes a prospectus for the purposes of the Prospectus Directive.</p>
Eurosystem Eligibility	The Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Class A Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper. It does not necessarily mean that the Class A Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.
Limited recourse obligations	The Notes will be limited recourse obligations of the Issuer alone and will not be the obligations of, or guaranteed by, or be the responsibility of, any other entity. The Issuer will have limited sources of funds available. See <i>Risk Factors</i> .
Subordination	The Classes of Notes, other than the Class A Notes and, in respect of principal, the Class F Notes, are subordinated to the other Classes of Notes in reverse alphabetical order. See <i>Credit Structure</i> .
Retention and Information Undertaking	NIBC has undertaken to the Issuer, the Security Trustee and the Managers that, for as long as the Notes are outstanding, it will at all times retain a material net economic interest in the securitisation transaction which shall in any event not be less than 5%, in accordance with the Capital Requirements Directive. See <i>Regulatory and Industry Compliance</i> for more details.

For a discussion of some of the risks associated with an investment in the Notes, see section *Risk Factors* herein.

The language of the prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

Unless otherwise indicated in this Prospectus or the context otherwise requires, capitalised terms used in this Prospectus have the meanings ascribed thereto in clause 1 (*Definitions*) of the Glossary of Defined Terms set out in this Prospectus.

The principles of interpretation set out in clause 2 (*Interpretation*) of the Glossary of Defined Terms in this Prospectus shall apply to this Prospectus.

The date of this Prospectus is 1 October 2012.

Arranger

NIBC Bank N.V.

Class A Managers

Credit Suisse

Jefferies International Limited

NIBC Bank N.V.

Class B, C, D, E and F Manager

NIBC Bank N.V.

RESPONSIBILITY STATEMENTS

The the Issuer is responsible for the information contained in this Prospectus. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Issuer accepts such responsibility accordingly. Any information from third-parties contained and specified as such in this Prospectus has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by that third-party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Sellers are responsible for the information contained in the following sections of this Prospectus: '*Portfolio Information*', sub-section '*Stater*' under '*Servicing Agreement*', the paragraph '*Average life*' in '*Transaction Overview*' and, together with NIBC, each paragraph dealing with Article 122a of the Capital Requirements Directive. To the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in these paragraphs is in accordance with the facts and does not omit anything likely to affect the import of such information. Each of the Sellers accepts responsibility accordingly.

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

The distribution of this document and the offering of the Notes in certain jurisdictions may be restricted by law.

Persons into whose possession this Prospectus (or any part thereof) comes are required to inform themselves about, and to observe, any such restrictions. A fuller description of the restrictions on offers, sales and deliveries of the Notes and on the distribution of this Prospectus is set out in the section entitled '*Subscription and Sale*' below. No one is authorised by the Issuer or each Seller to give any information or to make any representation concerning the issue of the Notes other than those contained in this Prospectus in accordance with applicable laws and regulations.

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

Neither the delivery of this Prospectus at any time nor any sale made in connection with the offering of the Notes shall imply that the information contained herein is correct at any time subsequent to the date of this Prospectus. Neither the Issuer nor any Seller has an obligation to update this Prospectus after the date on which the Notes are issued or admitted to trading.

The Managers expressly do not undertake to review the financial conditions or affairs of the Issuer during the life of the Notes. Investors should review, *inter alia*, the most recent financial statements of the Issuer when deciding whether or not to purchase, hold or sell any Notes during the life of the Notes.

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

The Managers have not separately verified the information set out in this Prospectus. To the fullest extent permitted by law, none of the Managers accepts any responsibility for the content of this Prospectus or for any statement or information contained in or consistent with this Prospectus in

connection with the offering of the Notes. The Managers disclaim any and all liability whether arising in tort or contract or otherwise in connection with this Prospectus or any such information or statements.

TABLE OF CONTENTS

RESPONSIBILITY STATEMENTS	5
1. TRANSACTION OVERVIEW	8
1.1 STRUCTURE DIAGRAM	9
1.2 RISK FACTORS	10
1.3 PRINCIPAL PARTIES	11
1.4 NOTES	13
1.5 CREDIT STRUCTURE	20
1.6 PORTFOLIO INFORMATION	22
1.7 PORTFOLIO DOCUMENTATION	24
1.8 GENERAL	27
2. RISK FACTORS	28
3. PRINCIPAL PARTIES	49
3.1 ISSUER	49
3.2 SHAREHOLDER	51
3.3 SECURITY TRUSTEE	52
3.4 ORIGINATORS	53
3.5 SERVICER	56
3.6 ISSUER ADMINISTRATOR	57
3.7 OTHER PARTIES	58
4. THE NOTES	60
4.1 TERMS AND CONDITIONS	60
4.2 FORM	76
4.3 SUBSCRIPTION AND SALE	78
4.4 REGULATORY AND INDUSTRY COMPLIANCE	81
4.5 USE OF PROCEEDS	82
4.5 USE OF PROCEEDS	82
4.6 TAXATION IN THE NETHERLANDS	83
4.7 SECURITY	85
5. CREDIT STRUCTURE	88
5.1 AVAILABLE FUNDS	88
5.2 PRIORITY OF PAYMENTS	92
5.3 LOSS ALLOCATION	96
5.4 HEDGING	97
5.5 LIQUIDITY SUPPORT	100
5.6 TRANSACTION ACCOUNTS	101
5.7 ADMINISTRATION AGREEMENT	103
6. PORTFOLIO INFORMATION	104
6.1 STRATIFICATION TABLES	104
6.2 DESCRIPTION OF MORTGAGE LOANS	116
6.3 ORIGINATION AND SERVICING	117
6.4 DUTCH RESIDENTIAL MORTGAGE MARKET	121
7. PORTFOLIO DOCUMENTATION	123
7.1 PURCHASE, REPURCHASE AND SALE	123
7.2 REPRESENTATIONS AND WARRANTIES	127
7.3 MORTGAGE LOAN CRITERIA	130
7.4 PORTFOLIO CONDITIONS	131
7.5 SERVICING AGREEMENT	132
8. GENERAL	134
GLOSSARY OF DEFINED TERMS	136
REGISTERED OFFICES	151

1. TRANSACTION OVERVIEW

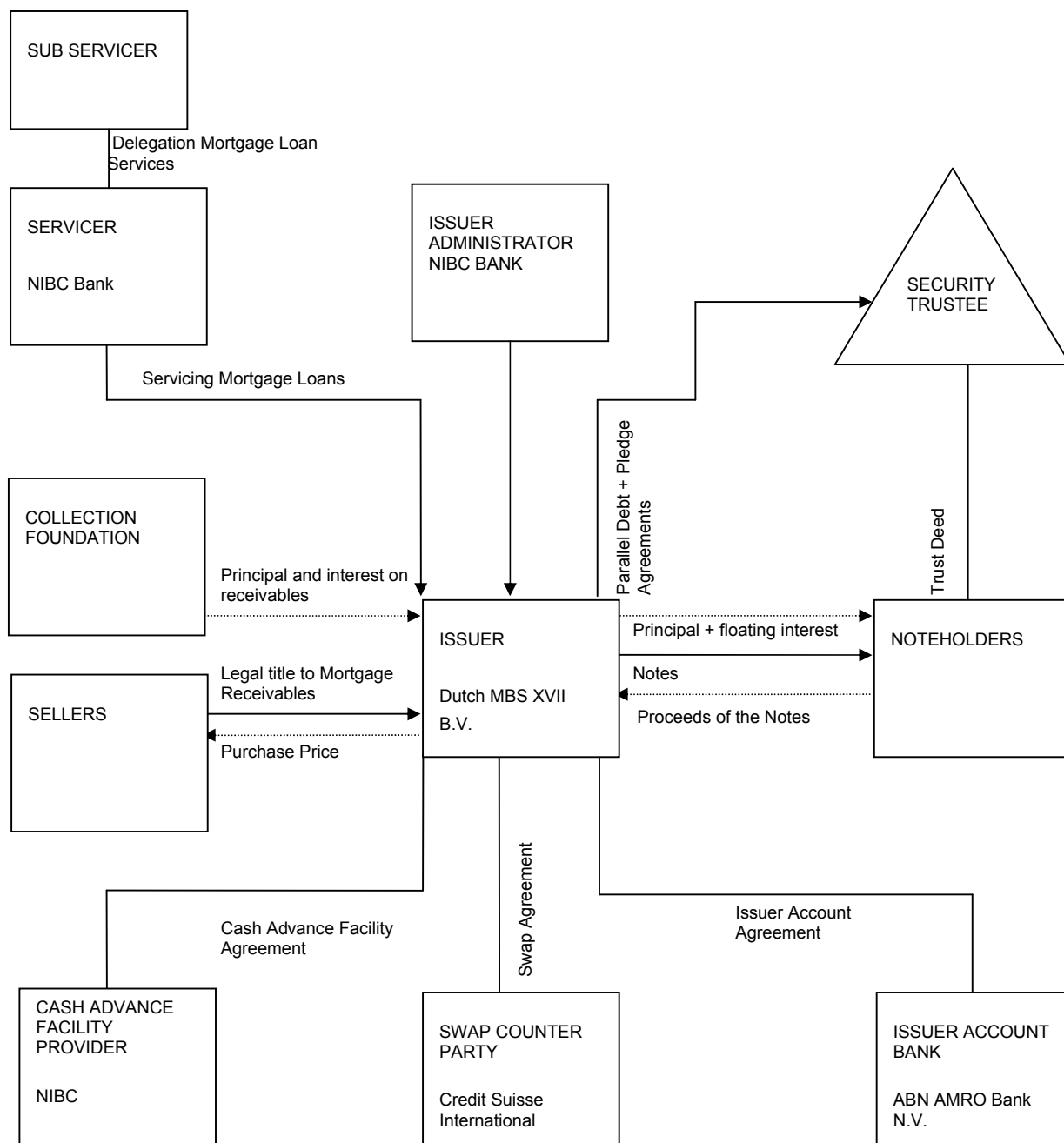
This overview must be read as an introduction to this Prospectus and any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole, including any supplement thereto.

Unless otherwise indicated in this Prospectus or the context otherwise requires, capitalised terms used in this Prospectus have the meanings ascribed thereto in clause 1 (Definitions) of the Glossary of Defined Terms set out in this Prospectus.

The principles of interpretation set out in clause 2 (Interpretation) of the Glossary of Defined Terms in this Prospectus shall apply to this Prospectus.

1.1 STRUCTURE DIAGRAM

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



1.2 RISK FACTORS

There are certain factors which prospective Noteholders should take into account. These risk factors relate to, inter alia, the Notes. One of these risk factors concerns the fact that the liabilities of the Issuer under the Notes are limited recourse obligations whereby the ability of the Issuer to meet such obligations will be dependent on the receipt by it of funds under the Mortgage Receivables, the proceeds of the sale of any Mortgage Receivables and the receipt by it of other funds. Despite certain facilities, there remains a credit risk, liquidity risk, prepayment risk, maturity risk and interest rate risk relating to the Notes. Moreover, there are certain structural and legal risks relating to the Mortgage Receivables (see *Risk Factors* below).

1.3 PRINCIPAL PARTIES

Issuer:	Dutch MBS XVII B.V., incorporated under the laws of the Netherlands as a private company with limited liability (<i>'besloten vennootschap met beperkte aansprakelijkheid'</i>) having its corporate seat in Amsterdam and registered with the Commercial Register of the Chamber of Commerce of Amsterdam under number 55600840. The entire issued share capital of the Issuer is held by the Shareholder.
Shareholder:	Stichting Dutch MBS XVII Holding, established under the laws of the Netherlands as a foundation (<i>'stichting'</i>).
Security Trustee:	Stichting Security Trustee Dutch MBS XVII, established under the laws of the Netherlands as a foundation (<i>'stichting'</i>).
Sellers:	<p>HypInvest B.V., incorporated under the laws of the Netherlands as a private company with limited liability (<i>'besloten vennootschap met beperkte aansprakelijkheid'</i>), having its corporate seat in The Hague, the Netherlands and registered with the Commercial Register of the Chamber of Commerce for the Haaglanden under number 27169419;</p> <p>Seyst Hypotheken B.V., incorporated under the laws of the Netherlands as a private company with limited liability (<i>'besloten vennootschap met beperkte aansprakelijkheid'</i>), having its corporate seat in The Hague, the Netherlands and registered with the Commercial Register of the Chamber of Commerce for the Haaglanden under number 27159557;</p> <p>Royal Residentie Hypotheken B.V., incorporated under the laws of the Netherlands as a private company with limited liability (<i>'besloten vennootschap met beperkte aansprakelijkheid'</i>), having its corporate seat in The Hague, the Netherlands and registered with the Commercial Register of the Chamber of Commerce for the Haaglanden under number 27159558; and</p> <p>Amstelstaete Hypotheken B.V., incorporated under the laws of the Netherlands as a private company with limited liability (<i>'besloten vennootschap met beperkte aansprakelijkheid'</i>), having its corporate seat in The Hague, the Netherlands and registered with the Commercial Register of the Chamber of Commerce for the Haaglanden under number 27169418.</p> <p>All outstanding shares in the capital of each of the Sellers are indirectly held by NIBC.</p>
Servicer:	NIBC Bank N.V., incorporated under the laws of the Netherlands as a public company (<i>'naamloze vennootschap'</i>) having its corporate seat in The Hague, the Netherlands and registered with the Commercial Register of the Chamber of Commerce for the Haaglanden under number 27032036. The Servicer will initially appoint STATER Nederland B.V. as the Sub-servicer to provide certain of the MPT services in respect of the Mortgage Receivables.
Sub-servicer:	STATER Nederland B.V., incorporated under the laws of the Netherlands as a private company with limited liability (<i>'besloten vennootschap met beperkte aansprakelijkheid'</i>).
Issuer Administrator:	NIBC.

Cash Advance Facility Provider:	NIBC.
Swap Counterparty:	Credit Suisse International.
Issuer Account Bank:	ABN AMRO Bank N.V.
Previous Transaction Security Trustees:	Stichting Security Trustee Essence IV, Stichting Security Trustee Essence III, Stichting Security Trustee Dutch MBS XVI, Stichting Security Trustee Dutch MBS XV, Stichting Security Trustee Dutch MBS XIV, Stichting Security Trustee SOUND I, Stichting Security Trustee SOUND II, Stichting Security Trustee SwAFE, and Stichting Security Trustee NIBC Covered Bond Company.
Previous Transaction SPVs:	Essence IV B.V., Essence III B.V., Dutch MBS XVI B.V., Dutch MBS XV B.V., Dutch MBS XIV B.V., SOUND I B.V., SOUND II B.V., SwAFE I B.V., Noiro Residential Mortgages V.O.F. and NIBC Covered Bond Company B.V..
Directors:	ATC Management B.V., the sole director of the Issuer and of Stichting Dutch MBS XVII Holding and ANT Securitisation Services B.V., the sole director of the Security Trustee.
Paying Agent:	NIBC.
Reference Agent:	NIBC.
Listing Agent:	NIBC.
Arranger:	NIBC.
Managers:	In respect of the Class A Notes, Credit Suisse Securities (Europe) Limited, Jefferies International Limited and NIBC, being the Class A Managers, and in respect of the Subordinated Notes and the Class F Notes, NIBC, being the Class B, C, D, E and F Manager.
Common Service Provider:	BNP Paribas Securities Services, Luxembourg Branch
Common Safekeeper:	In respect of the Class A Notes, Euroclear and in respect of the Notes, other than the Class A Notes, BNP Paribas Securities Services, Luxembourg Branch.

1.4 NOTES

Certain features of the Notes are summarised below (see for a further description below):

	Class A1	Class A2	Class B	Class C	Class D	Class E	Class F
Principal Amount	EUR 135,000,000	EUR 365,000,000	EUR 8,000,000	EUR 7,000,000	EUR 5,000,000	EUR 6,500,000	EUR 2,700,000
Issue Price	100 per cent.	100 per cent.	100 per cent.	100 per cent.	100 per cent.	100 per cent.	100 per cent.
Interest rate until	three month	three month	three month	three month	three month	three month	three month
First	Euribor plus	Euribor plus	Euribor plus	Euribor plus	Euribor plus	Euribor plus	Euribor plus
Optional	0.75 per cent.	1.35 per cent.	2.00 per cent.	2.25 per cent.	2.50 per cent.	2.75 per cent.	3.00 per cent.
Redemption Date	per annum	per annum	per annum	per annum	per annum	per annum	per annum
Interest rate after	three month	three month	three month	three month	three month	three month	three month
First	Euribor plus	Euribor plus	Euribor plus	Euribor plus	Euribor plus	Euribor plus	Euribor plus
Optional	1.50 per cent.	2.70 per cent.	0.00 per cent.	0.00 per cent.	0.00 per cent.	0.00 per cent.	0.00 per cent.
Redemption Date	per annum	per annum	per annum	per annum	per annum	per annum	per annum
Expected ratings	'AAA' sf /	'AAA' sf /	'AA+' sf /	'A+' sf /	'BBB+' sf /	'B' sf /	NR /
(Fitch /	'Aaa (sf)'	'Aaa (sf)'	'Aa1 (sf)'	'Aa3 (sf)'	'A2 (sf)'	'Ba1 (sf)'	NR
Moody's)							
First Optional	Notes	Notes	Notes	Notes	Notes	Notes	Notes
Redemption Date	Payment Date falling in October 2017	Payment Date falling in October 2017	Payment Date falling in October 2017	Payment Date falling in October 2017	Payment Date falling in October 2017	Payment Date falling in October 2017	Payment Date falling in October 2017
Final Maturity	October 2044	October 2044	October 2044	October 2044	October 2044	October 2044	October 2044
Date							

Notes: The Notes shall be the following notes of the Issuer, which are expected to be issued on or about the Closing Date:

- (i) the Class A1 Notes;
- (ii) the Class A2 Notes;
- (iii) the Class B Notes;
- (iv) the Class C Notes;
- (v) the Class D Notes;
- (vi) the Class E Notes; and
- (vii) the Class F Notes.

Issue Price: The issue price of the Notes shall be as follows:

- (i) the Class A1 Notes 100 per cent.;
- (ii) the Class A2 Notes 100 per cent.;
- (iii) the Class B Notes 100 per cent.;
- (iv) the Class C Notes 100 per cent.;
- (v) the Class D Notes 100 per cent.;
- (vi) the Class E Notes 100 per cent.; and
- (vii) the Class F Notes 100 per cent.

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

Denomination: The Notes will be issued in denominations of EUR 100,000 and higher integral multiples of EUR 1,000 with a maximum of EUR 199,000.

Status & Ranking: The Notes of each Class rank *pari passu* without any preference or priority among Notes of the same Class. In accordance with the Conditions and the Trust Deed (i) payments of principal and interest on the Class B Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes, (ii) payments of principal and interest on the Class C Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes and the Class B Notes, (iii) payments of principal and interest on the Class D Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes, the Class B Notes and the Class C Notes, (iv) payments of principal and interest on the Class E Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes and (v) payments of principal and interest on the Class F Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes.

The Class A Notes comprise of the Class A1 Notes and the Class A2 Notes and the Class A1 Notes and the Class A2 Notes rank *pari passu* and *pro rata* without any preference or priority among all Class A Notes in respect of the Security and payments of interest. Provided that no Enforcement Notice has been given, payments of principal on the Class A Notes are applied firstly to the Class A1 Notes and then to the Class A2 Notes. To the extent that the Available Principal Funds are insufficient to redeem the Class A1 Notes and/or the Class A2 Notes in full when due in accordance with the Conditions for a period of fifteen days or more, this will constitute an Event of Default in accordance with Condition 10(a). The Class A2 Notes do not therefore purport to provide credit enhancement to the Class A1 Notes. If, on any date, the Security is to be enforced and the proceeds of the enforcement would be

insufficient to fully redeem the Class A Notes in full, such loss will be borne, *pro rata* and *pari passu*, by the holders of the Class A Notes. If the Class A1 Notes have been redeemed (in part or in full) at such time, this will result in the Class A2 Notes bearing a greater loss than that borne by the Class A1 Notes.

See further *Terms and Conditions*.

Interest:

Interest on the Notes is payable by reference to the successive Interest Periods. The interest will be calculated on the basis of the actual days elapsed in the Interest Period divided by 360 days.

Interest will be payable quarterly in arrear in respect of the Principal Amount Outstanding on each Notes Payment Date.

Interest on the Notes for each Interest Period will accrue from the Closing Date at an annual rate equal to the sum of Euribor for three month deposits in EUR (determined in accordance with Condition 4) (or, in respect of the first Interest Period, the rate which represents the linear interpolation of Euribor for two (2) and three (3) month deposits in EUR), plus a margin which up to (but excluding) the First Optional Redemption Date, will be:

- (i) for the Class A1 Notes, a margin of 0.75 per cent. per annum;
- (ii) for the Class A2 Notes, a margin of 1.35 per cent. per annum;
- (iii) for the Class B Notes, a margin of 2.00 per cent. per annum;
- (iv) for the Class C Notes, a margin of 2.25 per cent. per annum;
- (v) for the Class D Notes, a margin of 2.50 per cent. per annum;
- (vi) for the Class E Notes, a margin of 2.75 per cent. per annum;
and
- (vii) for the Class F Notes, a margin of 3.00 per cent. per annum.

**Interest
Step-Up:**

If on the First Optional Redemption Date the relevant Class of Notes has not been redeemed in full, the rate of interest applicable for the Notes will accrue at an annual rate equal to the sum of Euribor for three month deposits in EUR determined in accordance with Condition 4, plus a margin which will be:

- (i) for the Class A1 Notes, a margin of 1.50 per cent. per annum;
- (ii) for the Class A2 Notes, a margin of 2.70 per cent. per annum;
- (iii) for the Class B Notes, a margin of 0.00 per cent. per annum;
and
- (iv) for the Class C Notes, a margin of 0.00 per cent. per annum;
- (v) for the Class D Notes, a margin of 0.00 per cent. per annum;
- (vi) for the Class E Notes, a margin of 0.00 per cent. per annum;
and
- (vii) for the Class F Notes, a margin of 0.00 per cent. per annum.

**Redemption
of the Notes:**

The Issuer will be obliged to apply the Available Principal Redemption Funds to (partially) redeem the Notes, other than the Class F Notes, on the Notes Payment Date falling in January 2013 and each Notes Payment Date thereafter at their respective Principal Amount Outstanding, on a *pro rata* basis within a Class, in the following order:

- (a) *first*, the Class A1 Notes, until fully redeemed and, subsequently, the Class A2 Notes, until fully redeemed, provided that if the Pro Rata Trigger applies, the Class A1 Notes and the Class A2 Notes pro rata, until fully redeemed; and
- (b) *second*, the Class B Notes, until fully redeemed; and
- (c) *third*, the Class C Notes, until fully redeemed; and
- (d) *fourth*, the Class D Notes, until fully redeemed; and
- (e) *fifth*, the Class E Notes, until fully redeemed.

The Class F Notes will be subject to mandatory partial redemption on the Notes Payment Date falling in January 2013 and on each Notes Payment Date thereafter in the limited circumstances as described in the Conditions.

**Optional
Redemption
of the Notes:**

The Issuer will have the option to redeem all of the Notes, other than the Class F Notes, but not some only, on each Optional Redemption Date at their respective Principal Amount Outstanding, subject to Condition 9(b). The Notes, other than the Class A Notes, can be redeemed at an amount less than their Principal Amount Outstanding (see Conditions 6 and 9(b) in *Conditions* below). For the avoidance of doubt, balances standing on the Reserve Account can be used to redeem the Notes as well, provided that all items ranking higher than the repayment of principal on the relevant Class of Notes in the applicable priority of payments (including the expenses of the Issuer and interest on the other Classes of Notes) have been paid in full.

**Final Maturity
Date:**

If and to the extent not otherwise redeemed, the Issuer will redeem the Class A Notes at their respective Principal Amount Outstanding on the Final Maturity Date.

Average life:

The estimated average life of the Notes, other than the Class F Notes, on the Closing Date based on a CPR of 7 per cent. and the assumption that the Issuer will redeem the Notes on the First Optional Redemption Date will be as follows:

- (i) the Class A1 Notes 1.96 years;
- (ii) the Class A2 Notes 4.96 years; and
- (iii) the Class B Notes 5.00 years.
- (iii) the Class C Notes 5.00 years.
- (iii) the Class D Notes 5.00 years.
- (iii) the Class E Notes 5.00 years.

The average lives of the Notes given above should be viewed with caution; reference is made to the paragraph *Risk related to prepayments on the Mortgage Loans* in *Risk Factors*.

**Redemption
for regulatory
reasons:**

In the event of the occurrence of a Regulatory Change, the Issuer may, if so directed by NIBC, the sole (indirect) shareholder of the Sellers, redeem all (but not some only) of the Notes, other than the Class F Notes, on any Notes Payment Date at their Principal Amount Outstanding on such date, together with interest accrued up to and including the date of redemption, subject to, in respect of the

Subordinated Notes, Condition 9(b). The Sellers have undertaken in the Mortgage Receivables Purchase Agreement to repurchase and accept reassignment of the Relevant Mortgage Receivables, if the Issuer upon the direction of NIBC exercises the Regulatory Call Option, or alternatively the Sellers may appoint a third party at their discretion and the Issuer has undertaken in the Mortgage Receivables Purchase Agreement to sell and assign the Mortgage Receivables to such third party. The purchase price will be calculated as described in *Sale of Mortgage Receivables* below.

Clean-Up Call Option:

If on any Notes Payment Date the aggregate Outstanding Principal Amount of the Mortgage Receivables is equal to or less than ten (10) per cent. of the aggregate Outstanding Principal Amount of the Mortgage Receivables on the Closing Date, the Issuer has the option (but not the obligation) to redeem all (but not some only) of the Notes, other than the Class F Notes, at their Principal Amount Outstanding, subject to, in respect of the Subordinated Notes, Condition 9(b).

**Redemption
for tax reasons:**

If the Issuer is or will be obliged to make any withholding or deduction for, or on account of, any taxes, duties or charges of whatsoever nature from payments in respect of any Class of Notes as a result of any change in, or amendment to, the laws or regulations of the Netherlands or any other jurisdiction or any political sub-division or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which becomes effective on or after the Closing Date and such obligation cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer has the option to redeem all (but not some only) of the Notes on any Notes Payment Date at their Principal Amount Outstanding, together with interest accrued up to and including the date of redemption, subject to, in respect of the Subordinated Notes, Condition 9(b).

**Retention and disclosure
requirements under the
Capital Requirements
Directive:**

In respect of the issue of the Notes NIBC and with respect to each Seller, in its capacity as allowed entity under paragraph 2 of article 122a of the Capital Requirements Directive, shall, or undertakes that any entity designated by NIBC as allowed entity under paragraph 2 of article 122a of the Capital Requirements Directive shall, retain, on an ongoing basis, a material net economic interest which, in any event, shall not be less than 5%. At the date of this Prospectus such interest is retained in accordance with item (d) of article 122a paragraph 1 of the Capital Requirements Directive, by holding a part of the most junior Classes of Notes and, if necessary, other tranches of Notes having the same or a more severe risk profile than those transferred or sold to investors and not maturing any earlier than those transferred or sold to investors, so that the retention equals in total no less than 5 % of the nominal value of the Notes issued under this Prospectus.

In addition, each Seller shall (i) adhere to the requirements set out in paragraph 6 of article 122a of the Capital Requirements Directive and (ii) make appropriate disclosures to Noteholders about the retained net economic interest in the Programme and ensure that the Noteholders have readily available access to all materially relevant data as required under paragraph 7 of article 122a of the Capital Requirements Directive. In the Notes Purchase Agreements, NIBC Bank N.V. and each Seller shall undertake to the relevant Managers and the Issuer that it shall comply with Dutch Regulation Securitisations of 26 October 2010 ("*Regeling securitisaties Wft 2010*") implementing *inter alia* article 122a

Use of proceeds:	<p>of the Capital Requirements Directive.</p> <p>The Issuer will use the net proceeds from the issue of the Notes, other than the Class F Notes, to pay part of the Initial Purchase Price for the Mortgage Receivables, pursuant to the provisions of the Mortgage Receivables Purchase Agreement and made between the Sellers, the Issuer and the Security Trustee and the proceeds of the Class F Notes will be deposited on the Reserve Account.</p>
Withholding Tax:	<p>All payments of, or in respect of, principal of and interest on the Notes will be made without withholding of, or deduction for, or on account of any present or future taxes, duties, assessments or charges of whatsoever nature imposed or levied by or on behalf of the Netherlands, any authority therein or thereof having power to tax unless the withholding or deduction of such taxes, duties, assessments or charges are required by law. In that event, the Issuer will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the Noteholders, as the case may be, and shall not pay any additional amounts to such Noteholders. In particular, but without limitation, no additional amounts shall be payable in respect of any Note or Coupon presented for payment, where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to the European Union Directive on the taxation of savings that was adopted on 3 June 2003 or any law implementing or complying with, or introduced in order to conform to, such Directive.</p>
Method of Payment:	<p>For so long as the Notes are represented by a Global Note, payments of principal and interest on the Notes will be made in euros to the Common Safekeeper for Euroclear and Clearstream, Luxembourg for the credit of the respective accounts of the Noteholders.</p>
Security for the Notes:	<p>The Notes will be secured:</p> <ul style="list-style-type: none"> (i) by a first ranking undisclosed right of pledge by the Issuer to the Security Trustee over (a) the Mortgage Receivables, including all rights ancillary thereto and (b) the Beneficiary Rights; and (ii) by a first ranking disclosed right of pledge by the Issuer to the Security Trustee over the Issuer's rights under or in connection with the Mortgage Receivables Purchase Agreement, the Cash Advance Facility Agreement, the Servicing Agreement, the Administration Agreement, the Swap Agreement and the Issuer Account Agreement in respect of the Issuer Accounts. <p>After delivery of an Enforcement Notice, the amounts payable to the Noteholders and the other Secured Creditors will be limited to the amounts available for such purpose to the Security Trustee which, <i>inter alia</i>, will consist of amounts recovered by the Security Trustee in respect of such rights of pledge and amounts received by the Security Trustee as creditor under the Parallel Debt Agreement. Payments to the Secured Creditors will be made in accordance with the Post-Enforcement Priority of Payments. See further <i>Credit Structure</i> and <i>Security</i> below.</p> <p>In addition, the Collection Foundation shall grant a first right of pledge on the balance standing to the credit of the Collection Foundation Account in favour of the Issuer and the Previous Transaction SPVs jointly, and the Issuer and the Previous Transaction SPVs by way of repledge create a first right of pledge in favour of the Security Trustee and the Previous Transaction Security Trustees each subject to the</p>

agreement that future issuers (and any security trustees) in securitisation transactions and future vehicles in conduit transactions or similar transactions (and any security trustees relating thereto) initiated by NIBC will also have the benefit of a right of pledge and agree to cooperate to facilitate such security. Such rights of pledge will be notified to the Foundation Accounts Provider.

Parallel Debt Agreement:

On the Closing Date, the Issuer and the Security Trustee will – among others – enter into the Parallel Debt Agreement for the benefit of the Secured Creditors under which the Issuer shall, by way of parallel debt, undertake to pay to the Security Trustee amounts equal to the amounts due by it to the Secured Creditors, in order to create a claim of the Security Trustee thereunder which can be validly secured by the rights of pledge created by the Pledge Agreements.

Paying Agency Agreement:

On the Closing Date the Issuer will enter into the Paying Agency Agreement with the Paying Agent and the Reference Agent pursuant to which the Paying Agent undertakes, *inter alia*, to perform certain payment services on behalf of the Issuer towards the Noteholders.

Listing:

Application has been made to Euronext Amsterdam for the Notes (excluding the Class F Notes), to be admitted to the official list and trading on its regulated market.

Ratings:

It is a condition precedent to issuance that the Class A Notes, on issue, be assigned a 'AAA' sf rating by Fitch and a 'Aaa (sf)' rating by Moody's, the Class B Notes, on issue, be assigned a 'AA+' sf rating by Fitch and a 'Aa1 (sf)' rating by Moody's, the Class C Notes, on issue, be assigned a 'A+' sf rating by Fitch and a 'Aa3 (sf)' rating by Moody's, the Class D Notes, on issue, be assigned a 'BBB+' sf rating by Fitch and a 'A2 (sf)' rating by Moody's and the Class E Notes, on issue, be assigned a 'B' sf rating by Fitch and a 'Ba1 (sf)' rating by Moody's. Credit ratings included or referred to in this Prospectus have been issued by Fitch and Moody's, each of which is established in the European Union and is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on Credit Rating Agencies. The Class F Notes will not be assigned a rating.

Settlement:

Euroclear and Clearstream, Luxembourg.

Governing Law:

The Notes will be governed by and construed in accordance with the laws of the Netherlands.

1.5 CREDIT STRUCTURE

- Available Funds:** The Issuer will use receipts of principal and interest in respect of the Mortgage Receivables together with amounts it receives under the Cash Advance Facility Agreement, the Swap Agreement, drawings from the Reserve Account and the Issuer Collection Account, to make payments of, *inter alia*, principal and interest due in respect of the Notes.
- Priority of Payments:** The obligations of the Issuer in respect of the Notes will rank subordinate to the obligations of the Issuer in respect of certain items set forth in the applicable priority of payments (see *Credit Structure* below) and the right to payment of interest and principal on the Subordinated Notes and the Class F Notes will be subordinated to the Class A Notes and limited as more fully described herein under *Credit Structure* and *Terms and Conditions*.
- Swap Agreement:** On or about the Closing Date, the Issuer will enter into a Swap Agreement with the Swap Counterparty to hedge the risk between (a) interest to be received by the Issuer on the Mortgage Receivables and (b) the floating rate of interest due and payable by the Issuer on the Notes, other than the Class F Notes. The interest rate on the Class F Notes will not be hedged. See *Credit Structure* below.
- Cash Advance Facility Agreement:** On the Closing Date, the Issuer will enter into the Cash Advance Facility Agreement with a maximum term of 364 days with the Cash Advance Facility Provider under which the Issuer will be entitled to make drawings in order to meet certain shortfalls in its available revenue receipts. As the rating of the Cash Advance Provider will at the Closing Date be below the Requisite Credit Rating, the Issuer will draw down the Cash Advance Facility Stand-by Drawing at the Closing Date and deposit such amount on the Cash Advance Facility Stand-by Account. Such amounts will be available for payments to be made by the Issuer subject to and in accordance with the Cash Advance Facility Agreement as if it would be a drawing thereunder. See further *Credit Structure* below.
- Issuer Accounts:** The Issuer shall maintain with the Issuer Account Bank the following accounts:
- (i) an account to which on each Mortgage Collection Payment Date - *inter alia* - all amounts received in respect of the Mortgage Receivables will be transferred by the Servicer in accordance with the Servicing Agreement (the "**Issuer Collection Account**");
 - (ii) an account to which, on the Closing Date, the proceeds of the Class F Notes, and on each Notes Payment Date, certain amounts to the extent available in accordance with the Revenue Priority of Payments, will be transferred (the "**Reserve Account**");
 - (iii) an account to which the Cash Advance Facility Stand-by Drawing will be transferred (the "**Cash Advance Facility Stand-by Account**"); and
 - (iv) an account to which only collateral pursuant to the Swap Agreement will be transferred (the "**Swap Collateral**");

Account").

**Collection Foundation
Account:**

All payments made by the Borrowers in respect of the Mortgage Loans will be paid into the Collection Foundation Account.

Issuer Account Agreement:

On the Closing Date the Issuer will enter into the Issuer Account Agreement with the Issuer Account Bank, under which the Issuer Account Bank agrees to pay a guaranteed interest rate determined by reference to Euribor on the balance standing to the credit of each of the Issuer Accounts from time to time. See *Credit Structure*.

Administration Agreement:

Under the Administration Agreement between the Issuer, the Issuer Administrator and the Security Trustee, the Issuer Administrator will agree (a) to provide certain administration, calculation and cash management services for the Issuer on a day-to-day basis, including without limitation, all calculations to be made in respect of the Notes pursuant to the Conditions and (b) to submit certain statistical information regarding the Issuer as referred to above to certain governmental authorities if and when requested.

1.6 PORTFOLIO INFORMATION

1. Key characteristics

	As per Cut-off Date
Principal balance	526,499,982.69
Value of saving deposits	-
Net principal balance	526,499,982.69
Construction deposits	-
Net Principal balance excl. construction and saving deposits	526,499,982.69
Number of loans	3,121
Number of loanparts	6,006
Average principal balance (borrower)	168,696
Weighted average current interest rate	4.78%
Weighted average maturity (in years)	20.0
Weighted average seasoning (in years)	9.4
Weighted average LTMV	69.61%
Weighted average LTMV (indexed)	63.11%
Weighted average LTFV	81.90%
Weighted average LTFV (indexed)	74.24%

Mortgage Loans:

Under the Mortgage Receivables Purchase Agreement, the Issuer will purchase from the Sellers the Mortgage Receivables. The Mortgage Receivables will result from Mortgage Loans secured by a mortgage right over Mortgaged Assets which meet the criteria set forth in the Mortgage Receivables Purchase Agreement and which will be selected prior to or on the Closing Date.

Part of the Mortgage Loans sold by Amstelstaete and Hypinvest have been originated by Originators other than these respective Sellers and have been transferred to these Sellers. See *Origination and Servicing* below.

The pool of Mortgage Loans (or any loan parts comprising a Mortgage Loan) will consist of Interest-only Mortgage Loans ("*aflossingsvrije hypotheken*"), Investment Mortgage Loans ("*beleggingshypotheken*"), Life Mortgage Loans ("*levenhypotheken*"), Linear Mortgage Loans ("*lineaire hypotheken*") and Annuity Mortgage Loans ("*annuïteiten hypotheken*") or combinations of these types of loans.

All Mortgage Loans are secured by a first ranking or first and sequentially lower ranking mortgage right and were vested for a principal sum which is at least equal to the principal sum of the Mortgage Loan when originated, increased with interest, penalties, costs and any insurance premium. Mortgage Loans may consist of one or more loan parts ("*leningdelen*"). If a Mortgage Loan consists of one or more loan parts, the Sellers shall sell and assign and the Issuer shall purchase and accept the assignment of all, but not some, loan parts of such Mortgage Loan at the Closing Date (or at the Relevant Notes Payment Date as the case may be). See *Description of Mortgage Loans*.

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

Risk Insurance Policies:

Each Mortgage Loan shall further have the benefit of a Risk Insurance Policy in the event and to the extent the relevant Mortgage Loan exceeds 100 per cent. of the value of the Mortgaged Asset. In the case of a Mortgage Loan of which one or more loan part includes a Life Mortgage Loan, such Risk Insurance Policy will be included in the relevant Life Insurance Policy (see below).

Life Mortgage Loans:

A portion of the Mortgage Loans will be in the form of Life Mortgage Loans, i.e. Mortgage Loans or parts thereof which have the benefit of Life Insurance Policies taken out by Borrowers with an Insurance Company. Under a Life Mortgage Loan, no principal is paid until maturity. The Life Insurance Policies are offered in the following alternatives by the Insurance Companies. The Borrower has the choice between (i) a guaranteed amount to be received when the Life Insurance Policy pays out, (ii) the Unit-Linked Alternative or (iii) a combination of (i) and (ii), in which case the Borrower has the option to switch between the Unit-Linked Alternative and the guaranteed amount. "**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. See *Risk Factors* and *Description of the Mortgage Loans*.

Investment Mortgage Loans:

A portion of the Mortgage Loans will be in the form of Investment Mortgage Loans. Under an Investment Mortgage Loan the Borrower does not pay principal prior to maturity of the Mortgage Loan, but undertakes to invest on an instalment basis or by means of a lump sum investment an agreed amount in certain investment funds. It is the intention that the Investment Mortgage Loans will be fully or partially repaid by means of the proceeds of these investments. The rights under these investments are pledged to the relevant Seller as security for repayment of the relevant Investment Mortgage Loan. See *Risk Factors* and *Description of Mortgage Loans*.

Interest-only Mortgage Loans:

A portion of the Mortgage Loans or parts thereof will be in the form of Interest-only Mortgage Loans. Under an Interest-only Mortgage Loan, the Borrower is not obliged to pay principal towards redemption of the relevant Mortgage Loan (or relevant part thereof) until maturity. Interest is payable monthly and is calculated on the outstanding balance of the Mortgage Loan (or relevant part thereof). Interest-only Mortgage Loans may have been granted up to an amount equal to 100 per cent. of the Foreclosure Value of the Mortgaged Asset of origination.

Annuity Mortgage Loans:

A portion of the Mortgage Loans (or parts thereof) will be in the form of Annuity Mortgage Loans. Under an Annuity Mortgage Loan the Borrower pays a constant total monthly payment, made up of an initially high and subsequently decreasing interest portion and an initially low and subsequently increasing principal portion, and calculated in such a manner that such Mortgage Loan will be fully redeemed at the end of its term.

Linear Mortgage Loans:

A portion of the Mortgage Loans (or parts thereof) will be in the form of Linear Mortgage Loans. Under a Linear Mortgage Loan the Borrower redeems a fixed amount on each instalment, such that at maturity the

entire loan will be redeemed. The Borrower's payment obligation decreases with each payment as interest owed under such Mortgage Loan declines over time.

1.7 PORTFOLIO DOCUMENTATION

Mortgage Receivables:

Under the Mortgage Receivables Purchase Agreement, the Issuer will purchase and on the Closing Date accept the assignment of the Mortgage Receivables, which will include any New Mortgage Receivables upon the purchase and acceptance of the assignment thereof), of each of the Sellers against the Borrowers under or in connection with certain pre-selected Mortgage Loans. The Issuer will be entitled to the principal proceeds of the Mortgage Receivables from (and including) the Cut-off Date and to the interest proceeds (including Prepayment Penalties) from (and including) the Closing Date.

Each Seller has the benefit of Beneficiary Rights which entitle the relevant Seller to receive the final payment under the relevant Insurance Policies, which payments are to be applied towards redemption of the Relevant Mortgage Receivables. Under the Mortgage Receivables Purchase Agreement, each Seller will assign such Beneficiary Rights to the Issuer and the Issuer will accept such assignment.

Repurchase of Mortgage Receivables:

In the Mortgage Receivables Purchase Agreement, each of the Sellers has undertaken to repurchase and accept reassignment of a Relevant Mortgage Receivable on the Mortgage Collection Payment Date immediately following:

- (i) the expiration of the relevant remedy period (as provided for in the Mortgage Receivables Purchase Agreement), if any of the representations and warranties given by such Seller in respect of the Relevant Mortgage Loans and the Relevant Mortgage Receivables, including the representation and warranty that the Relevant Mortgage Loans or, as the case may be, the Relevant Mortgage Receivables meet certain mortgage loan criteria, are untrue or incorrect in any material respect; or
- (ii) the date on which the relevant Seller agrees with a Borrower to grant a Further Advance; or
- (iii) the date on which the relevant Seller obtains or acquires an Other Claim in respect of such Relevant Mortgage Receivable vis-à-vis the relevant Borrower; or
- (iv) the date on which the relevant Seller agrees with a Borrower to amend the terms of the Relevant Mortgage Loan, or part of such Relevant Mortgage Loan, as a result of which such Relevant Mortgage Loan no longer meets certain criteria set forth in the Mortgage Receivables Purchase Agreement, provided that if such amendment is made as part of the enforcement procedures to be complied with upon a default by the Borrower under the Relevant Mortgage Loan or is otherwise made as part of a restructuring or renegotiation of such Relevant Mortgage Loan due to a deterioration of the credit quality of the Borrower of such Relevant Mortgage Loan such Seller shall not repurchase such Relevant Mortgage Receivable.

The purchase price for the Relevant Mortgage Receivable in such event will be equal to the Outstanding Principal Amount, together with due and overdue interest and reasonable costs, if any (including any costs incurred by the Issuer in effecting and completing such purchase and assignment), accrued up to (but excluding) the date of repurchase and reassignment of the Relevant Mortgage Receivable, provided that in case of a repurchase pursuant to an amendment of the mortgage conditions set out in item (iv) above with respect to Mortgage Receivables which are in arrears for a period exceeding 90 days or in respect of which an instruction has been given to the civil-law notary to publicly sell the Mortgaged Assets, the purchase price shall be at least the lesser of (i) the sum of (a) an amount equal to the appraised foreclosure value (which appraisal may not be older than three months) of such Mortgaged Assets and (b) the value of all other collateral and (ii) the sum of the Outstanding Principal Amount of the Mortgage Receivable, together with accrued interest due but unpaid, if any, and any other amounts due under the Mortgage Receivable.

Substitution:

The Mortgage Receivables Purchase Agreement will provide that the Issuer will on each Notes Payment Date up to (but excluding) the Final Maturity Date purchase from the relevant Seller(s) Relevant New Mortgage Receivables subject to fulfilment of certain conditions and to the extent offered by such Seller.

The Issuer will apply towards the purchase of New Mortgage Receivables amounts received as a result of the repurchase of Mortgage Receivables in accordance with the Mortgage Receivables Purchase Agreement (see *Repurchase of Mortgage Receivables* above) to the extent such amounts relate to principal, being the Substitution Available Amount.

In case the proceeds of any such repurchase of Mortgage Receivables are not applied towards the purchase of New Mortgage Receivables on the relevant Notes Payment Date such proceeds will be available for redemption of the Notes. See *Portfolio Conditions*.

Sellers Clean-Up Call Option:

On each Notes Payment Date the Sellers, acting jointly, have the option (but not the obligation) to exercise the Sellers Clean-Up Call Option.

The Issuer has undertaken in the Mortgage Receivables Purchase Agreement to sell and assign the Relevant Mortgage Receivables to the relevant Seller(s), or any third party appointed by the relevant Seller at its sole discretion, in case the Sellers exercise the Sellers Clean-Up Call Option. The proceeds of such sale shall be applied by the Issuer towards redemption of the Notes subject to and in accordance with Conditions and Condition 9(b). The purchase price will be as described in *Sale of Mortgage Receivables* below.

**Sale of
Mortgage
Receivables:**

On each Optional Redemption Date, the Issuer may sell and assign all, but not some, of the Mortgage Receivables to a third party provided that the Issuer shall apply the proceeds of such sale, to the extent relating to principal, to redeem the Notes, other than the Class F Notes, in full, subject to, in respect of the Subordinated Notes, Condition 9(b).

For the avoidance of doubt, balances standing on the Reserve Account can be used to redeem the Notes as well, provided that all items ranking higher than the repayment of principal on the relevant Class of Notes in

the applicable priority of payments (including the expenses of the Issuer and interest on the other Classes of Notes) have been paid in full.

In addition, pursuant to the Mortgage Receivables Purchase Agreement, the Sellers have the obligation to repurchase certain Relevant Mortgage Receivables in certain events (see above under *Repurchase of Mortgage Receivables*) and all Mortgage Receivables if the Sellers Clean-Up Call Option or the Regulatory Call Option is exercised.

The purchase price of each Mortgage Receivable in the event of each Sellers Clean-Up Call Option, Clean-Up Call Option, the Regulatory Call Option, the Tax Call Option or redemption on an Optional Redemption Date, shall be at least equal to the relevant Outstanding Principal Amount at such time, increased with interest due but not paid and reasonable costs relating thereto, except that with respect to Mortgage Receivables which are in arrears for a period exceeding 90 days or in respect of which an instruction has been given to the civil-law notary to publicly sell the Mortgaged Assets, the purchase price shall be at least the lesser of (i) the sum of (a) an amount equal to the appraised foreclosure value (which appraisal may not be older than three months) of such Mortgaged Assets and (b) the value of all other collateral and (ii) the sum of the Outstanding Principal Amount of the Mortgage Receivable, together with accrued interest due but unpaid, if any, and any other amounts due under the Mortgage Receivable.

**Servicing
Agreement:**

Under the Servicing Agreement, (i) the Servicer will agree to provide mortgage payment transactions and the other services as agreed in the Servicing Agreement in relation to the Mortgage Loans on a day-to-day basis, including, without limitation, the collection of payments of principal, interest and all other amounts in respect of the Mortgage Loans and (ii) the Servicer will agree to provide the implementation of arrears procedures including, if applicable, the enforcement of mortgages (see further *Origination and Servicing*).

In accordance with the Servicing Agreement, the Servicer will initially appoint STATER Nederland B.V. as the Sub-servicer to provide certain of the Mortgage Loan Services in respect of the Mortgage Loans.

1.8 GENERAL

Management Agreements:

Each of the Issuer, the Security Trustee and the Shareholder have entered into a Management Agreement with the relevant Director, under which the relevant Director will undertake to act as director of the Issuer, the Security Trustee or the Shareholder, respectively, and to perform certain services in connection therewith.

2. RISK FACTORS

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

RISK FACTORS REGARDING THE ISSUER

The Notes will be solely the obligations of the Issuer

The Notes will be solely the obligations of the Issuer. The Notes will not be obligations or responsibilities of, or guaranteed by, any other entity or person, in whatever capacity acting, including, without limitation, any Seller, the Cash Advance Facility Provider, the Insurance Companies, the Swap Counterparty, the Servicer, the Sub-servicer, the Issuer Administrator, the Directors, the Paying Agent, the Reference Agent, the Managers, the Issuer Account Bank and the Security Trustee, in whatever capacity acting. Furthermore, none of the Sellers, the Cash Advance Facility Provider, the Insurance Companies, the Swap Counterparty, the Servicer, the Sub-servicer, the Issuer Administrator, the Directors, the Paying Agent, the Reference Agent, the Managers, the Issuer Account Bank and the Security Trustee, nor any other person in whatever capacity acting, will accept any liability whatsoever to Noteholders in respect of any failure by the Issuer to pay any amounts due under the Notes.

None of the Sellers, the Cash Advance Facility Provider, the Insurance Companies, the Swap Counterparty, the Servicer, the Sub-servicer, the Issuer Administrator, the Directors, the Paying Agent, the Reference Agent, the Managers, the Issuer Account Bank and the Security Trustee will be under any obligation whatsoever to provide additional funds to the Issuer (save in the limited circumstances pursuant to the Transaction Documents, such as the payments due under the Swap Agreement by the Swap Counterparty and the payments due under the Cash Advance Facility Agreement by the Cash Advance Facility Provider).

The Issuer has limited resources available to meet its obligations

The ability of the Issuer to meet its obligations in full to pay principal of and interest on the Notes will be dependent on the receipt by it of funds under the Mortgage Receivables, the proceeds of the sale of any Mortgage Receivables, the receipt by it of payments under the Swap Agreement, drawings under the Reserve Account and/or the Cash Advance Facility and the receipt by it of interest in respect of the balance standing to the credit of the Issuer Collection Account. See *Credit Structure* below. The Issuer does not have any other resources available to it to meet its obligations under the Notes.

The Issuer has counterparty risk exposure

The Issuer is for the performance of its obligations fully dependent on its counterparties. Counterparties to the Issuer may not perform their obligations under the Transaction Documents. If any of the counterparties to the Issuer do not perform their obligations under the Transaction Documents, this may result in the Issuer not performing its obligations under the Transaction Documents and/or not receiving sufficient funds and as a consequence thereof not being able to meet its obligations under the Notes, including any payments on the Notes. It should be noted that there is a risk that (a) NIBC in its capacity as Servicer, Issuer Administrator, Cash Advance Facility Provider, Paying Agent and Reference Agent will not meet its obligations vis-à-vis the Issuer, (b) HyplInvest, Seyst, Royal Residentie and Amstelstaete in their capacities as Sellers will not meet its obligations vis-à-vis the Issuer, (c) Credit Suisse International in its capacity as Swap Counterparty will not meet its obligations vis-à-vis the Issuer, (d) ABN AMRO Bank N.V. in its capacity as Issuer Account Bank will not meet its obligations vis-à-vis the Issuer and (e) ANT Securitisation Services B.V. and ATC Management B.V. will not perform their respective obligations under the relevant Management Agreement.

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

Under or pursuant to the Pledge Agreements, various rights of pledge will be granted by the Issuer to the Security Trustee. On the basis of these pledges the Security Trustee can exercise the rights afforded by Dutch law to pledgees notwithstanding bankruptcy or suspension of payments of the Issuer. The Issuer is a special purpose vehicle and is therefore unlikely to become insolvent. However, any bankruptcy or suspension of payments involving the Issuer would affect the position of the Security Trustee as pledgee in some respects, the most important of which are: (i) payments made by the Borrowers to the Issuer after notification of the assignment to the Issuer and after bankruptcy or suspension of payments but prior to the notification of the pledge to the Security Trustee will be part of the bankruptcy estate of the Issuer, although the Security Trustee has the right to receive such amounts by preference after deduction of certain costs, (ii) a mandatory 'cool-off' period of up to four months may apply in case of bankruptcy or suspension of payments involving the Issuer, which, if applicable would delay the exercise ("*uitwinnen*") of the right of pledge on the Mortgage Receivables and (iii) the Security Trustee may be obliged to enforce its right of pledge within a reasonable period following bankruptcy as determined by the judge-commissioner ("*rechter-commissaris*") appointed by the court in case of bankruptcy of the Issuer.

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

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

Under Dutch law it is uncertain whether a security right can be validly created in favour of a party which is not the creditor of the claim which the security right purports to secure. Consequently, in order to secure the valid creation of the pledges under the Pledge Agreements in favour of the Security Trustee, the Issuer has in the Parallel Debt Agreement, as a separate and independent obligation, by way of parallel debt, undertaken to pay to the Security Trustee amounts equal to the amounts due by it to the Secured Creditors. There is no statutory law or case law available on the concept of parallel debts such as the Parallel Debt and the question whether a parallel debt constitutes a valid basis for the creation of security rights, such as rights of pledge (see also *Security* below). However, the Issuer has been advised that a parallel debt, such as the Parallel Debt, creates a claim of the Security Trustee thereunder which can be validly secured by a right of pledge such as the rights of pledge created by the Issuer Mortgage Receivables Pledge Agreement, the Deed of Assignment and Pledge and the Issuer Rights Pledge Agreement. Should the Parallel Debt not constitute a valid basis for the creation of security rights, the Mortgage Receivables and the Issuer Rights may secure only some or even none of the liabilities of the Issuer to the Secured Creditors.

Any payments in respect of the Parallel Debt and any proceeds received by the Security Trustee are, in the case of an insolvency of the Security Trustee, not separated from the Security Trustee's other assets. The Secured Creditors therefore have a credit risk on the Security Trustee. However, the Security Trustee is a special purpose vehicle and is therefore unlikely to become insolvent. Should the Security Trustee become insolvent, the Secured Creditors will have an unsecured claim on the bankrupt estate of the Security Trustee.

Licence requirement under the Wft

Under the Wft, which entered into force on 1 January 2007, a special purpose vehicle which services ("*beheert*") and administers ("*uitvoert*") loans granted to consumers, such as the Issuer, must have a licence under the Wft. An exemption from the licence requirement is available, if the special purpose vehicle outsources the servicing of the loans and the administration thereof to an entity holding a licence under the Wft. The Issuer has outsourced the servicing and administration of the Mortgage Loans to the Servicer. The Servicer holds a licence as intermediary ("*bemiddelaar*") and offeror of credit ("*aanbieder van krediet*") under the Wft and the Issuer thus benefits from the exemption. However, if the Servicing Agreement is terminated, the Issuer will need to outsource the servicing and administration of the Mortgage Loans to another licensed entity or it needs to apply for and hold a licence itself. In the latter case, the Issuer will have to comply with the applicable requirements under the Wft. If the Servicing Agreement is terminated and the Issuer has not

outsourced the servicing and administration of the Mortgage Loans to a licensed entity and, in such case, it will not hold a licence itself, the Issuer will have to terminate its activities and settle ("*afwickelen*") its existing agreements, which may ultimately result in, among others, an early redemption of the Notes. Noteholders may not be able to invest the amounts received as a result of the redemption of the Notes on conditions that are at least as beneficial as those of the Notes.

Risk related to the termination of the Swap Agreement

The Swap Counterparty will be obliged to make payments under the Swap Agreement without any withholding or deduction of taxes unless required by law. If any such withholding or deduction is required by law, the Swap Counterparty will be required to pay such additional amount as is necessary to ensure that the net amount actually received by the Issuer will equal the full amount that the Issuer would have received had no such withholding or deduction been required. The Swap Agreement will provide, however, that upon the occurrence of a Tax Event, the Swap Counterparty may transfer its rights and obligations to another of its offices, branches or affiliates to avoid the relevant Tax Event. If the Swap Counterparty is unable to transfer its rights and obligations under the Swap Agreement to another office, branch or affiliate, it will have the right to terminate the Swap Agreement. Upon such termination, the Issuer or the Swap Counterparty may be liable to make a termination payment to the other party.

The Swap Agreement will also be terminable by one party if - *inter alia* - (i) an Event of Default or Termination Event (as defined therein) occurs in relation to the other party, (ii) it becomes unlawful for either party to perform its obligations under the Swap Agreement or (iii) an Enforcement Notice is served or on the occurrence of certain rating events. Events of Default under the Swap Agreement in relation to the Issuer will be limited to (i) non-payment under the Swap Agreement and (ii) insolvency events in respect of the Issuer. If the Swap Agreement terminates the Issuer may have to pay a termination payment to the Swap Counterparty and will be exposed to changes in the relevant rates of interest. As a result, unless a replacement swap is entered into, the Issuer may have insufficient funds to make payments under the Notes.

Insolvency proceedings and subordination provisions

There is uncertainty as to the validity and/or enforceability of a provision which (based on contractual and/or trust principles) subordinates certain payment rights of a creditor to the payment rights of other creditors of its counterparty upon the occurrence of insolvency proceedings relating to that creditor. In particular, recent cases have focused on provisions involving the subordination of a hedging counterparty's payment rights in respect of certain termination payments upon the occurrence of insolvency proceedings or other default on the part of such counterparty (so-called "*flip clauses*"). Such provisions are similar in effect to the terms which will be included in the Transaction Documents relating to the subordination of Swap Counterparty Subordinated Payments .

The English Supreme Court has held that a flip clause as described above is valid under English law. The Issuer has been advised that such a flip clause would be enforceable against the parties that have validly agreed thereto under Dutch law. Contrary to this, however, the US Bankruptcy Court has held that such a subordination provision is unenforceable under US bankruptcy law and that any action to enforce such provision would violate the automatic stay which applies under such law in the case of a US bankruptcy of the counterparty. The implications of this conflicting judgment are not yet known, particularly as the US Bankruptcy Court approved, in December 2010, the settlement of the case to which the judgment relates and subsequently the appeal was dismissed.

If a creditor of the Issuer (such as the Swap Counterparty) or a related entity becomes subject to insolvency proceedings in any jurisdiction outside England and Wales or the Netherlands (including, but not limited to, the United States), and it is owed a payment by the Issuer, a question arises as to whether the insolvent creditor or any insolvency official appointed in respect of that creditor could successfully challenge the validity and/or enforceability of subordination provisions included in the English and Dutch law governed Transaction Documents (such as a provision of each of the Priorities of Payments which refers to the ranking of the Swap Counterparty's payment rights in respect of Swap Counterparty Subordinated Payments). In particular, based on the decision of the US Bankruptcy Court referred to above, there is a risk that such subordination provisions would not be upheld under US bankruptcy laws. Such laws may be relevant in certain circumstances with respect to the Swap Counterparty given that the Swap Counterparty has assets and/or operations in the US and notwithstanding that the Swap Counterparty is a non-US established entity

(and/or with respect to any replacement counterparty, depending on certain matters in respect of that entity). In general, if a subordination provision included in the Transaction Documents was successfully challenged under the insolvency laws of any relevant jurisdiction outside England and Wales or the Netherlands and any relevant foreign judgment or order was recognised by the English or Dutch courts, there can be no assurance that such actions would not adversely affect the rights of the Noteholders, the market value of the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

Lastly, given the general relevance of the issues in the judgments referred to above and that the Transaction Documents will include terms providing for the subordination of Swap Counterparty Subordinated Payment, there is a risk that the final outcome of the dispute in such judgments (including any recognition action by the English or Dutch courts) may result in negative rating pressure in respect of the Notes. If any rating assigned to the Notes is lowered, the market value of the Notes may reduce.

RISK FACTORS REGARDING THE NOTES

Factors which might affect an investor's ability to make an informed assessment of the risks associated with Notes

Investors in the Notes must be able to make an informed assessment of the Notes, based upon full knowledge and understanding of the facts and risks. Investors must determine the suitability of that investment in light of its own circumstances. The following factors might affect an investor's ability to appreciate the risk factors outlined below, placing such investor at a greater risk of receiving a lesser return on his investment:

- if such an investor does not have sufficient knowledge and experience to make a meaningful evaluation of the Notes and the merits of investing in the Notes in light of the risk factors outlined below;
- if such an investor does not have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of his particular financial situation, the significance of these risk factors and the impact the Notes will have on his overall investment portfolio;
- if such an investor does not have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the investor's currency;
- if such an investor does not understand thoroughly the terms of the Notes and is not familiar with the behaviour of any relevant indices in the financial markets (including the risks associated thereof) as such investor is more vulnerable from any fluctuations in the financial markets generally; and
- if such an investor is not able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect his investment and his ability to bear the applicable risks.

Potential investors should consider the tax consequences of investing in the Notes and consult their tax advisor about their own tax situation.

Clean-Up Call Option, redemption for tax reasons and redemption for regulatory reasons

Should the Issuer exercise the Clean-Up Call Option it will redeem all the Notes, other than the Class F Notes, in accordance with Condition 6(h) and subject to, in respect of the Subordinated Notes, Condition 9(b). The Issuer will have the option to redeem the Notes, other than the Class F Notes, for tax reasons in accordance with Condition 6(f) and subject to, in respect of the Subordinated Notes, Condition 9(b). The Issuer will have the option to redeem the Notes, other than the Class F Notes, for regulatory reasons in accordance with Condition 6(g) and subject to, in respect of the Subordinated Notes, Condition 9(b). The purchase price of the Mortgage Receivables will be calculated as described in *Sale of Mortgage Receivables* under *Credit Structure* below.

If the Clean-Up Call Option is exercised or if the Issuer redeems the Notes for tax reasons or redeems the Notes for regulatory reasons, this may lead to the Notes being redeemed prematurely. Noteholders may not be able to invest the amounts received as a result of the redemption of the Notes on conditions that are at

least as beneficial as those of the Notes.

Optional Redemption and Maturity Risk

As a result of the increase in the margin payable on and from the First Optional Redemption Date in respect of the floating rate of interest on the Class A Notes, the Issuer may have an incentive to exercise its right to redeem the Notes, other than the Class F Notes, on the First Optional Redemption Date or on any Optional Redemption Date thereafter. No guarantee can be given that the Issuer will actually exercise such right. The exercise of such right will, *inter alia*, depend on the ability of the Issuer to have sufficient funds available to redeem the Notes, for example through a sale of Mortgage Receivables still outstanding at that time.

Noteholders should be aware that on each Optional Redemption Date and the Final Maturity Date the Notes, other than the Class A Notes, may be redeemed by the Issuer at an amount less than their Principal Amount Outstanding in certain cases, which amount may even be zero, including, *inter alia*, in the case that losses under the Mortgage Receivables have occurred (see Conditions 6 and 9(b) in *Conditions* below). For the avoidance of doubt, balances standing on the Reserve Account can be used to redeem the Notes as well, provided that all items ranking higher than the repayment of principal on the relevant Class of Notes in the applicable priority of payments (including the expenses of the Issuer and interest on the other Classes of Notes) have been paid in full.

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

The Notes may therefore not be redeemed on an Optional Redemption Date and/or if the Notes are redeemed on an Optional Redemption Date or the Final Maturity Date, the Subordinated Notes and the Class F Notes may be redeemed at an amount less than their Principal Amount Outstanding, which may even be zero. Also see *Subordination of the Subordinated Notes and the Class F Notes and redemption with a loss* below.

Factors regarding Tax consequences on holding of the Notes

Potential investors should consider the tax consequences of investing in the Notes and consult their tax advisor about their own tax situation.

U.S. Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the Code (“**FATCA**”) impose a withholding tax of 30% on a portion of certain payments by non-U.S. entities (such as the Issuer), to persons that fail to meet requirements under FATCA. If the Issuer (or relevant intermediary) enters into and complies with an agreement with the IRS (an “**IRS Agreement**”), this withholding tax may be imposed on a portion of payments to (a) certain holders or beneficial owners of Instruments that do not provide certain information requested by the Issuer (or any relevant intermediary) and (b) any recipient (including an intermediary) of a payment that has not (or the relevant financial institution has not) entered into an IRS Agreement (or otherwise established an exemption from FATCA). Withholding should not be required with respect to payments on the Instruments before January 1, 2017. Neither a holder nor a beneficial owner of Instruments will be entitled to any additional amounts in the event such withholding tax is imposed. Certain beneficial owners may be eligible for a refund of amounts withheld as a result of FATCA. The future application of FATCA to the Issuer and the holders of Instruments is uncertain, and it is not clear at this time what actions, if any, will be required to minimize any adverse impact of FATCA on the Issuer and the holders of Instruments. The Issuer has not decided whether it will enter into an IRS Agreement.

Should the Issuer determine that it would otherwise be subject to FATCA withholding, it is likely that the Issuer would enter into a FATCA agreement with the IRS. Doing so may require the Issuer to secure documentation from each Noteholder to establish that it is not a U.S. person or, if a Noteholder is a U.S. person – that such person provides additional information and/or documentation as required under the FATCA agreement with the IRS. Further, if a Noteholder is a non financial non-U.S. entity, the Issuer may be required to obtain information regarding ownership of such entity.

If the Issuer enters into a FATCA agreement with the IRS, then failure by a Noteholder to provide the

required information and/or documentation will require that the Issuer subject certain payments to such Noteholder to FATCA's penal withholding tax. Where non-U.S. law prohibits disclosure of the information required under a FATCA agreement with the IRS, a Noteholder will be required to agree to a waiver of such law within a reasonable period of time.

A Noteholder will not receive any other form of reimbursement, for FATCA withholding assessed by the Issuer as a result of such Noteholder's failure to provide information and/or documentation as required by a FATCA agreement executed between the Issuer and the IRS. Further, should the Issuer be subjected to FATCA withholding by a counterparty, this expense could ultimately be borne by the Noteholders in the form of reduced returns.

It is also uncertain at this time how the reporting mechanism will operate. In particular, certain changes will likely have to occur with the operation of DTC, Euroclear, Clearstream, Luxembourg and other similar clearing systems. FATCA is particularly complex and its application to the Issuer, the Instruments and the holders is uncertain at this time. Each holder of Instruments should consult its own tax advisor to obtain a more detailed explanation of FATCA and to learn how it might affect such holder in its particular circumstance.

Risk that changes of law will have an effect on the Notes

The structure of the issue of the relevant Notes is based on Dutch law (or England and Wales in respect of the Swap Agreement) in effect as at the date of this Prospectus and the relevant ratings which are to be assigned to them are based thereon. No assurance can be given as to the impact of any possible change to Dutch law (or England and Wales in respect of the Swap Agreement) or administrative practice in the Netherlands (or England and Wales in respect of the Swap Agreement) after the date of this Prospectus.

Subordination of the Subordinated Notes and the Class F Notes and redemption with a loss

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

The Class A Notes comprise of the Class A1 Notes and the Class A2 Notes and the Class A1 Notes and the Class A2 Notes rank *pari passu* and *pro rata* without any preference or priority among all Notes of such Class in respect of the Security and payments of interest. Provided that no Enforcement Notice has been given and the Pro Rata Trigger does not apply, payments of principal on the Class A Notes are applied firstly to the Class A1 Notes and then to the Class A2 Notes. To the extent that the Available Principal Funds are insufficient to redeem the Class A1 Notes and/or the Class A2 Notes in full when due in accordance with the Conditions for a period of fifteen days or more, this will constitute an Event of Default in accordance with Condition 10(a). The Class A2 Notes do not therefore purport to provide credit enhancement to the Class A1 Notes. If, on any date, the Security is to be enforced and the proceeds of the enforcement would be insufficient to fully redeem the Class A Notes in full, such loss will be borne, *pro rata* and *pari passu*, by the holders of the Class A Notes. If the Class A1 Notes have been redeemed (in part or in full) at such time, this will result in the Class A2 Notes bearing a greater loss than that borne by the Class A1 Notes.

If, upon default by the Borrowers, the Issuer does not receive the full amount due from such Borrowers, Noteholders may receive by way of principal repayment on the Notes an amount less than the face amount of their Notes, and even not receive any repayment at all, and the Issuer may be unable to pay in full interest due on the Notes, to the extent set forth in Condition 9. On any Notes Payment Date, any Realised Losses on the Mortgage Loans and any Cash Advance Replenishment Amounts will be allocated as described in *Credit Structure* below.

Risks related to the limited liquidity of the Notes

The secondary market for the Notes has experienced and is experiencing severe disruptions resulting from reduced investor demand for mortgage loans and mortgage-backed securities and increased investor yield requirements for those loans and securities. As a result, the secondary market for mortgage-backed securities is experiencing extremely limited liquidity. Limited liquidity in the secondary market for mortgage-backed securities has had a severe adverse effect on the market value of mortgage-backed securities. The conditions may continue or worsen in the future. Limited liquidity in the secondary market may continue to have a severe adverse effect on the market value of mortgage-backed securities, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the investment requirements of limited categories of investors. Consequently, an investor in the Notes may not be able to sell its Notes readily. The market values of the Notes are likely to fluctuate and may be difficult to determine. Any of these fluctuations may be significant and could result in significant losses to such investor. In addition, the forced sale into the market of mortgage-backed securities held by structured investment vehicles, hedge funds, issuers of collateralised debt obligations and other similar entities that are currently experiencing funding difficulties could adversely affect an investor's ability to sell, and/or the price an investor receives for, the Notes in the secondary market.

Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in a raft of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in securitisation exposures and/or the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Notes are responsible for analysing their own regulatory position and none of the Issuer, the Managers, NIBC Bank N.V. nor the Sellers makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment on the date hereof or at any time in the future.

In particular, in Europe, investors should be aware of Article 122a of the Capital Requirements Directive, as implemented in the Netherlands by the Dutch Regulation Securitisations of 26 October 2010 ("*Regeling securitisaties Wft 2010*") which applies in general to new securitisations issued on or after 1 January 2011 and, after 31 December 2014, to existing securitisations where new underlying exposures are added or substituted after 31 December 2014. Article 122a restricts an EU regulated credit institution from investing in asset-backed securities unless the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the EU regulated credit institution that it will retain, on an ongoing basis, a net economic interest of not less than 5% in respect of certain specified credit risk tranches or asset exposures as contemplated by Article 122a. Article 122a also requires an EU regulated credit institution to be able to demonstrate that it has undertaken certain due diligence in respect of, amongst other things, its note position and the underlying exposures and that procedures are established for such activities to be conducted on an on-going basis. Failure to comply with one or more of the requirements set out in Article 122a will result in the imposition of a penal capital charge on the notes acquired by the relevant investor.

Prospective noteholders should therefore make themselves aware of the requirements of Article 122a, where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes.

There remains considerable uncertainty with respect to Article 122a and it is not clear what will be required to demonstrate compliance to national regulators. Investors who are uncertain as to the requirements that will need to be complied with in order to avoid the additional regulatory charges for non compliance with Article 122a should seek guidance from their regulator. Similar requirements to those set out in Article 122a are expected to be implemented for other EU regulated investors (such as investment firms, insurance and reinsurance undertakings and certain hedge fund managers) in the future.

Article 122a of the Capital Requirements Directive and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

Proposed Changes to the Basel Capital Accord and Solvency II

On 26 June 2004, the Basel Committee on Banking Supervision published the text of the new capital accord, Basel II. Basel II, 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. Basel II 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 Basel Committee on Banking Supervision proposed new rules amending the existing Basel II Accord on bank capital requirements, referred to as Basel III. The changes refer to, amongst other things, new requirements for the capital base, measures to strengthen the capital requirements for counterparty credit exposures arising from certain transactions and the introduction of a leverage ratio as well as short-term and longer-term standards for funding liquidity (referred to as the Liquidity Coverage Ratio and the Net Stable Funding Ratio, respectively). Member countries will be required to implement the new capital standards from January 2013, the new Liquidity Coverage Ratio from January 2015 and the Net Stable Funding Ratio from January 2018. The European authorities have indicated that they support the work of the Basel Committee on the approved changes in general. It is uncertain when the European Commission's corresponding proposals to implement the changes (through amendments to the Capital Requirements Directive known as CRD IV) will be implemented.

Furthermore, pursuant to Solvency II, more stringent rules will apply for European insurance companies from January 2013 in respect of instruments such as the Notes in order to constitute regulatory capital (*toetsingsvermogen c.q. solvabiliteitsmarge*).

Basel II, as published, and Basel III even to a greater extent, will affect risk-weighting of the Notes 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). This could affect the market value of the Notes in general and the relative value for the investors in the Notes.

Potential investors should consult their own advisers as to the consequences to and effect on them of the application of Basel II, as implemented by their own regulator or following implementation, and any changes thereto pursuant to Basel III, and the application of Solvency II, to their holding of any Notes. The Issuer and the Security Trustee are not responsible for informing Noteholders of the effects on the changes to risk-weighting or regulatory capital which amongst others may result for investors from the adoption by their own regulator of Basel II, Basel III or Solvency II (whether or not implemented by them in its current form or otherwise).

Notes in global form

Each Class of Notes shall be initially represented by a Temporary Global Note in bearer form. Each Temporary Global Note will be deposited with a common safekeeper. Interests in each Temporary Global Note will be exchangeable (provided certification of non-U.S. beneficial ownership by the Noteholders has been received) not earlier than the Exchange Date for interests in the relevant Permanent Global Note in bearer form, without coupons, in the principal amount of the Notes of the relevant Class. Each Permanent Global Note will be exchangeable for Notes in definitive form only in the circumstances as more fully described in Global Notes. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note will be entitled to receive any payment made in respect of that Note in accordance with the rules and procedures of Euroclear or Clearstream, Luxembourg, as applicable. Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes, which must be made by the holder of a Global Note, for so long as such Global Note is outstanding. Each person must give a certificate as to non-U.S. beneficial ownership as of the date on which the Issuer is obliged to exchange a Temporary Global Note for a Permanent Global Note, which date shall be no earlier than the Exchange Date, in order to obtain any payment due on the Notes.

For so long as the Notes of a particular Class are represented by a Global Note, each person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular Principal Amount Outstanding of that Class of Notes will be treated by the Issuer and the Security Trustee as a holder of such Principal Amount Outstanding of that Class of Notes, but without prejudice to the entitlement of the bearer of relevant Global Note to be paid principal thereon and interest with respect thereto in accordance with and subject to its terms. Any statement in writing issued by Euroclear or Clearstream, Luxembourg as to the persons shown in its records as being entitled to such Notes and the

respective Principal Amount Outstanding of such Notes held by them shall be conclusive for all purposes.

Notes in definitive form and denominations in integral multiples

The Notes have a denomination consisting of a minimum authorised denomination of EUR 100,000 plus higher integral multiples of EUR 1,000. Accordingly, it is possible that the Notes may be traded in amounts in excess of the minimum authorised denomination that are not integral multiples of such denomination. In such a case, if Notes in definitive form are required to be issued, a Noteholder who holds a principal amount of a Note less than the minimum authorised denomination at the relevant time may not receive a Note in definitive form in respect of such holding and may need to purchase a principal amount of Notes such that their holding amounts to the minimum authorised denomination (or another relevant denomination amount). Notes in definitive form, if issued, will only be printed and issued in denominations of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000. No Notes in definitive form will be issued with a denomination above EUR 199,000. If Notes in definitive form are issued, Noteholders should be aware that these Notes in definitive form which have a denomination that is not an integral multiple of the minimum authorised denomination may be illiquid and difficult to trade.

No gross-up for taxes

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

Risk related to absence of Mortgage Reports

In case the Issuer Administrator does not receive a Mortgage Report from the Servicer with respect to a Mortgage Calculation Period, then the Issuer and the Issuer Administrator on its behalf may use the three most recent Mortgage Reports for the purposes of the calculation of the amounts available to the Issuer to make payments, as further set out in the Administration Agreement. When the Issuer Administrator receives the Mortgage Reports relating to the Mortgage Calculation Period for which such calculations have been made, it will make reconciliation calculations and reconciliation payments by drawing amounts to the extent relating to interest from the Interest Reconciliation Ledger and by drawing amounts to the extent relating to principal from the Principal Reconciliation Ledger as set out in the Administration Agreement. Any (i) calculations properly done on the basis of such estimates in accordance with the Administration Agreement, and (ii) payments made and not made under any of the Notes and Transaction Documents in accordance with such calculations and (iii) reconciliation calculations and reconciliation payments made or payments not made as a result of such reconciliation calculations, each in accordance with the Administration Agreement, shall be deemed to be done, made or not made in accordance with the provisions of the Transaction Documents and will in itself not lead to an Event of Default or any other default under any of the Transaction Documents or breach of any triggers included therein (including but not limited to Assignment Notification Events). If, after the Issuer Administrator has received the Mortgage Reports relating to the Mortgage Calculation Period for which such calculations have been made, the Issuer would not have sufficient assets available to make, or procure that the Issuer Administrator makes, such reconciliation payments, either (a) the Noteholders may receive by way of principal repayment on the Notes an amount less than the amount which should have been paid in accordance with the Conditions (save for such payments made in accordance with the Administration Agreement in such period) or, as the case may be, (b) the Issuer may be unable to pay in full the amount of interest due on the Notes, in the case of both (a) and (b) subject to the terms of the Conditions.

Notes may not be recognised as eligible Eurosystem collateral

The Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Class A Notes are intended upon issue to be deposited with one of the ICSDs as Common Safekeeper. This does not necessarily mean that the Class A Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria as amended from time to time, which criteria will in the future include the requirement that loan-by-loan information be made available to investors in accordance with the template which is available on the website of the European Central Bank. It has been agreed in the Administration Agreement and the

Servicing Agreement, respectively, that the Issuer Administrator or, at the instruction of the Issuer Administrator, the Servicer, shall use its best efforts to make such loan-by-loan information available as of the date on which such requirement becomes effective, to the extent it has such information available. Should such loan-by-loan information not comply with the European Central Bank's requirements or not be available at such time, the Class A Notes may not be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem. The Notes other than the Class A Notes are not intended to be held in a manner which allows Eurosystem eligibility.

Credit ratings may not reflect all risks

The ratings of the Notes, other than the Class F Notes, addresses the assessment made by Fitch and Moody's of the likelihood of full and timely payment of interest and ultimate payment of principal on or before the Final Maturity Date, but does not provide any certainty nor guarantee.

A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation if in its judgement, the circumstances in the future so require. The Class F Notes will not be rated.

Risk that the ratings of the Notes change

The ratings to be assigned to the Class A Notes by the Credit Rating Agencies are based - inter alia - on the value and cash flow generating ability of the Mortgage Receivables and other relevant structural features of the transaction, and reflect only the view of each of the Credit Rating Agencies. There is no assurance that any such rating will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by any of the Credit Rating Agencies if, in any of the Credit Rating Agencies' judgement, circumstances so warrant. Any downgrade of the ratings may have a negative effect on the value of the Notes.

No Recourse against the Credit Rating Agencies

Notwithstanding that none of the Security Trustee and the Noteholders may have any right of recourse against the Credit Rating Agencies in respect of any confirmation given by them and relied upon by the Security Trustee, the Security Trustee shall be entitled to assume, for the purposes of exercising any power, trust, authority, duty or discretion under or in relation to the Conditions or any of the Transaction Documents, that such exercise will not be materially prejudicial to the interests of the Noteholders if the Credit Rating Agencies have confirmed that the then current rating of the applicable Class or Classes of Notes would not be adversely affected by such exercise.

By investing in the Notes, Noteholders acknowledge that, notwithstanding the foregoing, a credit rating is an assessment of credit and does not address other matters that may be of relevance to the Noteholders. In being entitled to rely on the fact that the Credit Rating Agencies have confirmed that the then current rating of the relevant Class or Classes of Notes would not be adversely affected, it is expressly agreed and acknowledged by the Security Trustee and specifically notified to the Noteholders (and to which they are bound by the Conditions) that the above does not impose or extend any actual or contingent liability for the Credit Rating Agencies to the Security Trustee, the Noteholders or any other person or create any legal relations between the Credit Rating Agencies and the Security Trustee, the Noteholders or any other person whether by way of contract or otherwise.

Due to the dependency on the performance of the relevant counterparties of their obligations in connection with this transaction, a deterioration of the credit quality of any of these counterparties (including a reduction in the credit rating of NIBC, the Cash Advance Facility Provider, the Issuer Account Bank or the Swap Counterparty) may have an adverse effect on the rating of one or all classes of Notes. Any downgrade of the ratings may have a negative effect on the value of the Notes.

Forecasts and estimates

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

RISK FACTORS REGARDING THE MORTGAGE RECEIVABLES

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

Under Dutch law, assignment of the legal title of claims, such as the Mortgage Receivables, can be effectuated by means of a notarial deed of assignment or a private deed of assignment and registration thereof with the appropriate tax authorities, without notification of the assignment to the debtors being required ("*stille cessie*"). The legal title of the Relevant Mortgage Receivables will be assigned on the Closing Date and, in respect of the Relevant New Mortgage Receivables on the relevant Notes Payment Date, by the relevant Seller to the Issuer through a Deed of Assignment and Pledge and registration thereof with the appropriate tax authorities. The Mortgage Receivables Purchase Agreement will provide that the assignment of the Relevant Mortgage Receivables by the relevant Seller to the Issuer will not be notified by the relevant Seller or, as the case may be, the Issuer to the Borrowers except if any of the Assignment Notification Events occur. For a description of these notification events reference is made to *Portfolio Conditions* in *Portfolio Information*.

Until notification of the assignment has been made to the Borrowers, the Borrowers under the Relevant Mortgage Receivables can only validly pay to the relevant Seller in order to fully discharge their payment obligations ("*bevrjndend betalen*") in respect thereof. The relevant Seller has undertaken in the Mortgage Receivables Purchase Agreement to pay on each Mortgage Collection Payment Date to the Issuer any amounts received in respect of the Relevant Mortgage Receivables during the immediately preceding Mortgage Calculation Period. However, receipt of such amounts by the Issuer is subject to the relevant Seller actually making such payments. If the relevant Seller is declared bankrupt or subject to emergency regulations prior to making such payments, the Issuer has no right of any preference in respect of such amounts (for mitigation of this risk see below).

Payments made by Borrowers to the relevant Seller prior to notification of the assignment to the Issuer but after bankruptcy, (preliminary) suspension of payments or emergency regulations in respect of the relevant Seller having been declared will be part of the relevant Seller's bankruptcy estate. In respect of these payments, the Issuer will be a creditor of the estate ("*boedelschuldeiser*") and will receive payment prior to (unsecured) creditors with ordinary claims, but after preferred creditors of the estate and after deduction of the general bankruptcy costs ("*algemene faillissementskosten*"), which may be material.

The risks set out in the preceding two paragraphs, are mitigated by the following. Each Borrower has given a power of attorney to the Sellers or the Sub-servicer respectively to direct debit his account for amounts due under the relevant Mortgage Loan. The Sellers will undertake or procure that the Sub-servicer undertakes to direct debit all amounts of principal and interest to the Collection Foundation Account maintained by the Collection Foundation which is a bankruptcy remote foundation ("*stichting*"). In addition each Seller has represented that it has given and will give instructions to the relevant Insurance Companies to pay any amounts in respect of the Beneficiary Rights into the Collection Foundation Account. The Collection Foundation will have a claim against ABN AMRO Bank N.V. as foundation accounts provider (or its successor) as the bank where such accounts are held, in respect of the balance standing to the Collection Foundation Account.

The Issuer has been advised that in the event of a bankruptcy of any of the Sellers any amounts standing to the credit of the Collection Foundation Account relating to the Relevant Mortgage Receivables will not form part of the bankruptcy estate of the relevant Seller. The Collection Foundation is set up as passive bankruptcy remote entities. The objectives clause of the Collection Foundation is limited to manage and distribute amounts received on the Collection Foundation Account to the persons who are entitled to receive such amounts pursuant to the Receivables Proceeds Distribution Agreement.

Upon receipt thereof, the Collection Foundation will distribute to the Issuer or, after the Enforcement Date, to the Security Trustee any and all amounts relating to the Relevant Mortgage Receivables received by it on the Collection Foundation Account, in accordance with the relevant provisions of the Receivables Proceeds Distribution Agreement. Pursuant to the Receivables Proceeds Distribution Agreement NIBC and after an insolvency event relating to NIBC, the Sub-servicer respectively will perform such payment transaction services on behalf of the Collections Foundations (see for a description of the cash collection arrangements *Credit Structure* below).

There is a risk that any of the Sellers prior to notification of the assignment or its liquidator (following bankruptcy or suspension of payments but prior to notification) instructs the Borrowers to pay to another bank account. Any such payments by a Borrower would be valid ("*bevrijdend*"). This risk is, however, mitigated by the following. First, each of the Sellers has undertaken towards the Issuer and the Security Trustee not to amend the payment instructions and not to redirect cash flows to the Collection Foundation Account in respect of the Relevant Mortgage Receivables to another account, without prior approval of the Issuer and the Security Trustee and confirmation from the Credit Rating Agencies that the then current ratings of the Class A Notes would not thereby be adversely affected and/or notified the Credit Rating Agencies. In addition, the Sub-servicer has undertaken to disregard any orders from any of the Sellers to cause the transfer of amounts in respect of the Relevant Mortgage Receivables to be made to another account than the Collection Foundation Account without prior approval of the Issuer and the Security Trustee and the abovementioned confirmation from and/or notification to the Credit Rating Agencies. Notwithstanding the above, the Sellers are obliged to pay to the Issuer any amounts which were not paid on a Foundation Account but to the relevant Seller directly.

The balance of the Collection Foundation Account will be pledged to the Issuer and the Previous Transaction SPVs, and the Issuer and the Previous Transactions SPVs by way of repledge create a first right of pledge in favour of the Security Trustee and the Previous Transaction Security Trustees in view of the (remote) bankruptcy risk of the relevant foundation, in accordance with the Collection Foundation Account Pledge Agreement. The pledge will be shared with other beneficiaries, most of which are set up as bankruptcy remote securitisation special purpose vehicles. Each beneficiary will have a certain *pari passu* ranking undivided interest, or "share" ("*aandeel*") in the co-owned pledge, entitling it to part of the foreclosure proceeds of the pledge over the Collection Foundation Account. As a consequence, the rules applicable to co-ownership ("*gemeenschap*") apply to the joint right of pledge. The share of the Security Trustee will be equal to the amounts in the Collection Foundation Account relating to the Relevant Mortgage Receivables owned by the Issuer. Section 3:166 of the Dutch Civil Code provides that co-owners will have equal shares, unless a different arrangement follows from their legal relationship. The co-pledgees have agreed that each pledgee's share within the meaning of section 3:166 of the Dutch Civil Code ("*aandeel*") in respect of the balance of the Collection Foundation Account from time to time is equal to the sum of the amounts standing to the credit of the Collection Foundation Account which relate to the mortgage receivables owned and/or pledged to them from time to time. In case of foreclosure of the co-owned right of pledge on the Collection Foundation Account (i.e. if the Collection Foundation defaults in forwarding the amounts received by it as agreed), the proceeds will be divided according to each beneficiary's share. It is uncertain whether this sharing arrangement constitutes a sharing arrangement within the meaning of section 3:166 of the Dutch Civil Code and thus whether it is enforceable in the event of bankruptcy or suspension of payments of one of the pledgees.

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

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

In respect of the Relevant Mortgage Receivables sold by each Seller, reference is made to the representation made by it that (i) it owes no amounts to a Borrower under a savings account or a current account or an other account relationship and (ii) no deposits have been accepted by it from any Borrower. NIBC offers savings accounts and term deposits to its customers, which may include Borrowers. Such savings account or term deposit is a contract between NIBC and the customer, which may also be a Borrower, whereas the Mortgage Loan is a contract between the relevant Seller and the Borrower. In these circumstances one of the requirements for set-off, i.e. that the Borrower must have a claim which corresponds to this debt to the same counterparty, is not met. The Issuer has been advised that, in view of

the representations by each Seller that any such savings account and the Mortgage Loan are offered in such manner that it is clear to the Borrower that (i) the savings account is held with NIBC, (ii) the Mortgage Loan is granted by the relevant Seller and (iii) NIBC and the relevant Seller are different legal entities, in principle the Borrower will not have a right of set-off. However the Borrower may possibly establish that set-off is allowed, if the savings account or the term deposit and the Mortgage Loan are to be regarded as one inter-related legal relationship. In view of the representation by each Seller that (i) neither NIBC nor any intermediary offers the Mortgage Loans and the savings accounts or the term deposits as products which are in any way connected, (ii) the Mortgage Loan and the savings account or the term deposit are not connected, for example by means of set-off provisions, (iii) the savings account or the term deposit and the Mortgage Loan are not offered at the same time and (iv) the rights under the savings account or the term deposit will not be pledged to the Seller as security for the Mortgage Loan, the Issuer has been advised that the Mortgage Loan and the savings account will not be regarded as one inter-related legal relationship and based upon these representations, and subject to what is stated otherwise in this paragraph, the Borrower will not have the right to set off the balance on a savings account or term deposit with NIBC with amounts due under a Mortgage Loan.

In the Mortgage Receivables Purchase Agreement, each of the Sellers represent that the mortgage conditions applicable to the Relevant Mortgage Loans provide that all payments by the Borrowers should be made without any set-off. Considering the wording of this provision, it is uncertain whether it is intended as a waiver by the relevant Borrowers of their set-off rights vis-à-vis the relevant Seller, but if this clause can be regarded as such, under Dutch law it is uncertain whether such waiver will be valid. Should such waiver be invalid, the Borrowers will have the set-off rights described in this paragraph.

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

If notification of the assignment of the Relevant Mortgage Receivables is made after the bankruptcy or emergency regulations of the relevant Seller having become effective, it is defended in legal literature that the Borrower will, irrespective of the notification of the assignment, continue to have the broader set-off rights afforded to it in the Netherlands Bankruptcy Code. Under the Netherlands Bankruptcy Code a person which is both debtor and creditor of the bankrupt entity can set off its debt with its claims, if each claim (i) came into existence prior to the moment at which the bankruptcy becomes effective or (ii) resulted from transactions with the bankrupt entity concluded prior to the bankruptcy becoming effective. A similar provision applies in case of suspension of payments or emergency regulations.

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

For specific set-off issues relating to the Life Insurance Policies connected to the Mortgage Loans or specific

set-off issues relating to an Investment Mortgage Loan, reference is made to *Risk of set-off or defences by Borrowers in case of insolvency of Insurance Companies* and *Risks related to offering of Investment Mortgage Loans and Life Insurance Policies* below.

Risk that the All Moneys Security Rights will not follow the Mortgage Receivables upon assignment to the Issuer

The mortgage deeds relating to the Mortgage Receivables to be sold to the Issuer provide that the mortgage rights created pursuant to such mortgage deeds are All Moneys Mortgages. The Mortgage Loans also provide for rights of pledge granted in favour of the relevant Seller, which are All Moneys Pledges.

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

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

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

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

In respect of the Mortgage Receivables originated after 1 January 1999, the relevant mortgage deeds stipulate that in case of assignment of the receivable the mortgage right and right of pledge will partially follow. These stipulations are a clear indication of the intentions of the parties in this respect. The Issuer has been advised that, in the absence of circumstances giving an indication to the contrary, the inclusion of these provisions in the Mortgage Loans makes clear that the All Moneys Security Right (partially) follows the Mortgage Receivable as accessory and ancillary right upon its assignment, but that there is no case law explicitly supporting this advice. The mortgage deeds in respect of the Mortgage Receivables which are originated prior to 1 January 1999 do not contain any explicit provision on the issue whether the mortgage right or right of pledge follows the receivable upon its assignment. In these cases there is no clear indication of the intention of the parties. The Issuer has been advised that also in such case the All Moneys Security Right should (partially) follow the receivable as accessory and ancillary right upon its assignment, but that there is no case law explicitly supporting this advice and that, consequently, it is not certain what the Netherlands courts would decide if this matter were to be submitted to them, particularly taking into account the prevailing view of Dutch legal commentators on All Moneys Security Rights in the past as described above, which view continues to be defended by some legal commentators.

The above applies *mutatis mutandis* in the case of the pledge of the Mortgage Receivables by the Issuer to

the Security Trustee under the Issuer Mortgage Receivables Pledge Agreement and the Deed of Assignment and Pledge.

Risk related to jointly-held All Moneys Security Rights by the relevant Seller, the Issuer and the Security Trustee

If the All Moneys Security Rights have (partially) followed the Mortgage Receivables upon their assignment, the All Moneys Security Rights will be jointly-held by the Issuer (or the Security Trustee, as pledgee) and the relevant Seller and will secure both the Relevant Mortgage Receivables held by the Issuer (or the Security Trustee, as pledgee) and any Other Claims.

Where the All Moneys Security Rights are jointly-held by both the Issuer or the Security Trustee and the relevant Seller, the rules applicable to a joint estate ("*gemeenschap*") apply. The Netherlands Civil Code provides for various mandatory rules applying to such jointly-held rights. In the Mortgage Receivables Purchase Agreement each Seller, the Issuer and the Security Trustee have agreed that the Issuer and/or the Security Trustee (as applicable) will manage and administer such jointly-held rights. Certain acts, including acts concerning the day-to-day management ("*beheer*") of the jointly-held rights, may under Dutch law be transacted by each of the participants ("*deelgenoten*") in the jointly-held rights. All other acts must be transacted by all of the participants acting together in order to bind the jointly-held rights. It is uncertain whether the foreclosure of the All Moneys Security Rights will be considered as day-to-day management, and, consequently it is uncertain whether the consent of the relevant Seller, the relevant Seller's bankruptcy trustee ("*curator*") (in case of bankruptcy) or administrator ("*bewindvoerder*") (in case of (preliminary) suspension of payments or emergency regulations), as the case may be, may be required for such foreclosure. Each Seller, the Issuer and the Security Trustee will agree that in case of foreclosure the share ("*aandee*") in each jointly-held All Moneys Security Rights of the Issuer and/or the Security Trustee will be equal to the Outstanding Principal Amount of the Relevant Mortgage Receivable, increased with interest and costs, if any, and the share of the relevant Seller will be equal to the Net Foreclosure Proceeds less the Outstanding Principal Amount, increased with interest and costs, if any. The Issuer has been advised that although a good argument can be made that this arrangement will be enforceable against the relevant Seller or, in case of its bankruptcy or emergency regulations, its trustee or administrator, as the case may be, this is not certain. Furthermore, it is noted that this arrangement may not be effective against the Borrower.

Each of the Sellers will agree that in case of a breach by a Seller of its obligations under these agreements or if any of such agreement is dissolved, void, nullified or ineffective for any reason in respect of a Seller, such Seller shall compensate the Issuer and/or the Security Trustee (as applicable) forthwith for any and all loss, cost, claim, damage and expense whatsoever which the Issuer and/or the Security Trustee (as applicable) incurs as a result thereof. Receipt of such amount by the Issuer and/or the Security Trustee is subject to the ability of the Seller to actually make such payments.

If (a bankruptcy trustee or administrator of) the relevant Seller would, notwithstanding the arrangement set out above, enforce the jointly-held All Moneys Security Rights, the Issuer and/or the Security Trustee would have a claim against the relevant Seller (or, as the case may be, its bankruptcy estate) for any damages as a result of a breach of the contractual arrangements, but such claim would be unsecured and non-preferred.

Each of the Sellers will undertake in the Mortgage Receivables Purchase Agreement that, until the Notes have been fully redeemed in accordance with the Conditions and the Issuer has no further obligation under any of the other Transaction Documents, it shall not grant nor acquire any Other Claim against a Borrower, unless it will repurchase the Relevant Mortgage Receivable from the Issuer on the immediately succeeding Mortgage Collection Payment Date.

Long lease

The mortgage rights securing the Mortgage Loans may be vested on a long lease ("*erfpacht*"), as further described in the section *Description of Mortgage Loans*. A long lease will, *inter alia*, end as a result of expiration of the long lease term (in case of lease for a fixed period), or termination of the long lease by the leaseholder or the landowner. The landowner can terminate the long lease in the event the leaseholder has not paid the remuneration due for a period exceeding two consecutive years or seriously breaches other obligations under the long lease. In case the long lease ends, the landowner will have the obligation to compensate the leaseholder. In such event the mortgage right will, by operation of law, be replaced by a right of pledge on the claim of the (former) leaseholder on the landowner for such compensation. The

amount of the compensation will, *inter alia*, be determined by the conditions of the long lease and may be less than the market value of the long lease.

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

Risk that Borrower Insurance Pledges and Borrower Investment Pledges will not be effective

All rights of a Borrower under the Insurance Policies have been pledged to the relevant Seller under a Borrower Insurance Pledge. The Issuer has been advised that it is probable that the right to receive payment, including the commutation payment ("*afkoopsom*"), under the Insurance Policies will be regarded by a Netherlands court as a future right. The pledge of a future right is, under Dutch law, not effective if the pledgor is declared bankrupt, granted a suspension of payments or is subject to emergency regulations, prior to the moment such right comes into existence. This means that it is uncertain whether such pledge will be effective. The same applies to any Borrower Investment Pledges.

To the extent the Borrower Insurance Pledges secure the same liabilities as the All Moneys Mortgages (and should therefore be regarded as All Moneys Pledges), reference is made to *Risk that the All Moneys Security Rights will not follow the Mortgage Receivables upon assignment to the Issuer* above.

Risks relating to Beneficiary Rights under the Insurance Policies

The relevant Seller has been appointed as beneficiary under the relevant Insurance Policy, except that in certain cases another beneficiary is appointed who will rank ahead of the relevant Seller, provided that, *inter alia*, the relevant beneficiary has given a Borrower Insurance Proceeds Instruction. The Issuer has been advised that it is unlikely that the appointment of the relevant Seller as beneficiary will be regarded as an ancillary right and that it will follow the Mortgage Receivables upon assignment or pledge thereof to the Issuer or the Security Trustee. The Beneficiary Rights will be assigned by the relevant Seller to the Issuer and will be pledged to the Security Trustee by the Issuer (see *Security* below). However, the Issuer has been advised that it is uncertain whether this assignment and pledge will be effective.

Each Seller will undertake that it will use its best efforts upon the occurrence of an Assignment Notification Event relating to it to terminate the appointment of the relevant Seller as beneficiary under the Insurance Policies and to appoint the Issuer or the Security Trustee, as the case may be, as first beneficiary under the Insurance Policies. In the event that a Borrower Insurance Proceeds Instruction has been given, the relevant Seller, will undertake to use its best efforts following an Assignment Notification Event to withdraw the Borrower Insurance Proceeds Instruction in favour of the relevant Seller and to issue such instruction in favour of (i) the Issuer subject to the dissolving condition ("*ontbindende voorwaarde*") of a Pledge Notification Event relating to it and (ii) the Security Trustee under the condition precedent ("*opschortende voorwaarde*") of the occurrence of a Pledge Notification Event. The termination and appointment of a beneficiary under the Insurance Policies and the withdrawal and the issue of the Borrower Insurance Proceeds Instruction will require the co-operation of all relevant parties involved. It is uncertain whether such co-operation will be forthcoming.

If the Issuer or the Security Trustee, as the case may be, has not become beneficiary of the Insurance Policies or the assignment and pledge of the Beneficiary Rights is not effective, any proceeds under the Insurance Policies will be payable to the relevant Seller or to another beneficiary rather than to the Issuer or the Security Trustee, as the case may be. If the proceeds are paid to the relevant Seller, it will pursuant to the Mortgage Receivables Purchase Agreement be obliged to pay the amount involved to the Issuer or the Security Trustee, as the case may be. If the proceeds are paid to the relevant Seller and the relevant Seller does not pay such amount to the Issuer or the Security Trustee, as the case may be, e.g. in case of bankruptcy of the relevant Seller, or if the proceeds are paid to another beneficiary instead of the Issuer or the Security Trustee, as the case may be, this may result in the amount paid under the Insurance Policies not being applied in reduction of the Relevant Mortgage Receivables. This may lead to the Borrower invoking set-off or defences against the Issuer or, as the case may be, the Security Trustee for the amounts

so received by the relevant Seller or another beneficiary, as the case may be. However, the Issuer has been advised that payments by the Insurance Companies into the Collection Foundation Account would fall outside the estate of the Sellers. The Collection Foundation would be obliged to forward such amount to the Issuer, as agreed between the Issuer and the Seller. In case of insolvency of the Seller, a liquidator would be bound by such agreement.

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

Under certain types of Mortgage Loans the relevant Seller has the benefit of rights under Life Insurance Policies with Insurance Companies. Under the Insurance Policies the Borrowers pay premium consisting of a risk element and a savings or investment element. The intention of the Insurance Policies is that at maturity of the relevant Mortgage Loan, the proceeds of the savings or investments can be used to repay the relevant Mortgage Loan, whether in full or in part. If any of the Insurance Companies is no longer able to meet its obligations under the Insurance Policies, for example as a result of bankruptcy or having become subject to emergency regulations, this could result in the amounts payable under the Insurance Policies either not, or only partly, being available for application in reduction of the Relevant Mortgage Receivables. This may lead to the Borrowers trying to invoke set-off rights and defences which may have the result that the Mortgage Receivables will be, fully or partially, extinguished ("*teniet gaan*") or cannot be recovered for other reasons, which could lead to losses under the Notes.

As set out in *Set-off by Borrowers may affect the proceeds under the Mortgage Receivables* above, the Borrowers have waived their set-off rights, but it is uncertain whether such waiver is effective. If this provision described above is not effective the Borrowers will, in order to invoke a right of set-off, need to comply with the applicable legal requirements for set-off. One of these requirements is that the Borrower should have a claim, which corresponds to his debt to the same counterparty. The Insurance Policies are contracts between the relevant Insurance Company and the Borrowers. Therefore, in order to invoke a right of set-off, the Borrowers would have to establish that the relevant Seller and the relevant Insurance Company should be regarded as one legal entity or, possibly, based upon interpretation of case law, that set-off is allowed, even if the relevant Seller and the relevant Insurance Company are not considered as one legal entity, since the Insurance Policies and the Mortgage Loans might be regarded as one inter-related legal relationship. Furthermore, the Borrowers should have a counterclaim that is due and payable. If the relevant Insurance Company is declared bankrupt or has become subject to emergency regulations, the Borrower will have the right unilaterally to terminate the Insurance Policy and to receive a commutation payment ("*afkoopsom*"). These rights are subject to the Borrower Insurance Pledge. However, despite this pledge, it could be argued that the Borrower will be entitled to invoke a right of set-off for the commutation payment, subject, however, to what is stated above under Risk that Borrower Insurance Pledges will not be effective. However, apart from the right to terminate the Insurance Policies, the Borrowers are also likely to have the right to dissolve the Insurance Policies and to claim restitution of premiums paid and/or supplementary damages. It is uncertain whether such claim is subject to the Borrower Insurance Pledge. If not, the Borrower Insurance Pledge would not obstruct a right of set-off in respect of such claim by the Borrowers.

Finally, set-off vis-à-vis the Issuer after notification of the assignment would be subject to the additional requirements for set-off after assignment being met (see *Set-off by Borrowers may affect the proceeds under the Mortgage Receivables* above).

Even if the Borrowers cannot invoke a right of set-off, they may invoke defences vis-à-vis the relevant Seller, the Issuer and/or the Security Trustee, as the case may be. The Borrowers will naturally have all defences afforded by Dutch law to debtors in general. A specific defence one could think of would be based upon interpretation of the mortgage conditions and the promotional materials relating to the Mortgage Loans. Borrowers could argue that the Mortgage Loans and the Insurance Policies are to be regarded as one inter-related legal relationship and could on this basis claim a right of annulment or rescission of the Mortgage Loans or possibly suspension of their obligations thereunder. They could also argue that it was the intention of the Borrower, the relevant Seller and the relevant Insurance Company, at least they could rightfully interpret the mortgage conditions and the promotional materials in such a manner, that the Mortgage Receivable would be (fully or partially) repaid by means of the proceeds of the relevant Insurance Policy and that, failing such proceeds being so applied, the Borrower is not obliged to repay the (corresponding) part of the Mortgage Receivable. Also, a defence could be based upon principles of reasonableness and fairness ("*redelijkheid en billijkheid*") in general, i.e. that it is contrary to principles of reasonableness and fairness for

the Borrower to be obliged to repay the Mortgage Receivable to the extent that he has failed to receive the proceeds of the Insurance Policy. The Borrowers could also base a defence on "error" ("*dwaling*"), i.e. that the Mortgage Loans and the Insurance Policy were entered into as a result of "error". If this defence would be successful, this could lead to annulment of the Mortgage Loan, which would have the result that the Issuer no longer holds a Mortgage Receivable.

In respect of Life Mortgage Loans originated by the Sellers where the Borrowers have taken out Life Insurance Policies with any of the Insurance Companies, other than Life Mortgage Loans to which the Life Insurance Policies described in the succeeding paragraph are connected, the Issuer has been advised that it is unlikely that a court would honour set-off or defences of the Borrowers, as described above, taking into account that (x) each Seller has informed the Issuer that (i) there is no connection between the relevant Life Mortgage Loan and the relevant Life Insurance Policy other than the relevant Borrower Insurance Pledge and the relevant Beneficiary Rights, which would increase the risk that a Borrower can successfully set-off its obligations under the Life Mortgage Loan with its claims under the Life Insurance Policy or that it can invoke defences in this respect, (ii) the relevant Life Mortgage Loans and the Life Insurance Policies are not marketed as one combined mortgage and life insurance product or under one name, (iii) the Borrowers are free to choose the relevant Insurance Company and (iv) the Insurance Company is not a group company of the relevant Seller, and that (y) each Seller will represent and warrant in respect to these Life Mortgage Loans (a) the items (ii), (iii) and (iv) and (b) that to the best of its knowledge there are no circumstances resulting in a connection between the relevant Life Mortgage Loan and the relevant Life Insurance Policy other than the relevant Borrower Insurance Pledge and the relevant Beneficiary Rights, which would increase the Insurance Set-off Risk. However, if any circumstances which would result in a connection (as set out in (y)(b) above) between the Life Mortgage Loan and a Life Insurance Policy exist, the risk that the courts will honour set-off or defences invoked by Borrowers, as described above, will increase.

In respect of the Life Mortgage Loans associated with a Life Insurance Policy entered into with (a) Erasmus Leven (a trade name of Delta Lloyd Levensverzekering N.V.), SRLEV N.V. to the extent it is a legal successor of Axa Leven N.V., Generali Levensverzekering Maatschappij N.V., or (b) Goudse Levensverzekeringen N.V. (formally known as Goudse Levensverzekering Maatschappij N.V.), Achmea Pensioen- en Levensverzekering N.V., to the extent originated by Hypinvest, or (c) Allianz Nederland Levensverzekering N.V., to the extent originated by Royal, or (d) SRLEV N.V., to the extent originated by Seyst, the Issuer has been informed that the Life Mortgage Loans have also been marketed in the relevant brochures under the name of the relevant Life Insurance Company as one product with the associated Life Insurance Policy, under the trade name of the relevant Life Insurance Company on behalf of relevant Seller (which is not a group company of any of the relevant Life Insurance Companies). In respect of these Mortgage Loans, the Issuer has been advised that, given the commercial connection, the possibility can certainly not be disregarded ("*de mogelijkheid kan zeker niet worden uitgesloten*") that in the event that the Borrowers cannot recover their claims under these Life Insurance Policies from the relevant Life Insurance Company, the courts will honour set-off or defences invoked by Borrowers, as described above.

In respect of the Life Mortgage Loans sold and assigned by Amstelstaete, to the extent these Life Mortgage Loans have been originated by an Originator which is not the Seller and have been transferred to Amstelstaete, the Issuer has been advised that there is a considerable risk ("*een aanmerkelijk risico*") that any set-off or defences (as described above) would be successful, in view of the fact that these Life Mortgage Loans have been originated by the Insurance Company which also granted the Life Insurance Policy connected to such Mortgage Loan and this Life Mortgage Loan and Life Insurance Policy were marketed as one single package under one name.

Risk of set-off or defences in respect of investments under Investment Mortgage Loans

The Sellers have represented that under the Investment Mortgage Loans the securities are purchased on behalf of the relevant Borrower by a bankruptcy remote securities giro ("*effectengiro*"), a bank or investment firm ("*beleggingsonderneming*") for the account of the Borrowers and that these securities are held in custody by an admitted institution of Euroclear Netherlands if these securities qualify as securities defined in the Wge or, if they do not qualify as such, by a separate depository vehicle in accordance with Section 6:18 of the Further Regulation on Conduit Supervision of Financial Enterprises. The Issuer has been advised that on the basis of this representation the relevant investments should be effectuated on a bankruptcy remote basis and that, in respect of these investments, the risk of set-off or defences by the Borrowers should not become relevant in this respect. However, if this is not the case and the investments were to be lost, this

may lead to the Borrowers trying to invoke set-off rights or defences against the Issuer on similar grounds under *Risk of set-off and defences by Borrowers in case of insolvency of Insurance Companies*.

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

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

Risk relating to Further Advances

Part of the Mortgage Receivables sold and assigned to the Issuer relate to Mortgage Loans which have been originated by Originators other than the relevant Seller. All rights and obligations under these Mortgage Loans have been transferred ("*contractsoverneming*") to the relevant Seller. The Issuer has been advised that in case of such transfer (other than by means of assignment) it is not certain whether any Further Advances granted, or to be granted, by the relevant Seller after any such transfer are validly secured by the mortgage right and borrower pledges vested in favour of the Originator. For this question it is relevant, *inter alia*, whether the Further Advance resulted from the same legal relationship as the Mortgage Loan or whether it constitutes a new legal relationship. If a Further Advance Receivable is transferred to the Issuer and it is clear that it is not validly secured by a mortgage right, this constitutes a breach of the representations and warranties granted by the relevant Seller, resulting in an obligation of the relevant Seller to repurchase the relevant Further Advance Receivable. To the extent that a Further Advance is granted after the Closing Date, the relevant Seller will be obliged to repurchase the Relevant Mortgage Receivable. If in such event the relevant Seller does not repurchase the Relevant Mortgage Receivable for whatever reason, this constitutes a breach of the representations and warranties granted by the relevant Seller and the Issuer will own a Relevant Mortgage Receivable that may not be validly secured by the mortgage right and borrower pledges vested in favour of the Originator until it is repurchased.

Risk that interest rate reset rights will not follow Mortgage Receivables

The Issuer has been advised that a good argument can be made that the right to reset the interest rate on the Mortgage Loans should be considered as an ancillary right and follows the Mortgage Receivables upon their assignment to the Issuer and the pledge to the Security Trustee, but that in the absence of case law or legal literature this is not certain. To the extent the interest rate reset right passes upon the assignment of the Mortgage Receivables to the Issuer or upon the pledge of the Mortgage Receivables to the Security Trustee, such assignee or pledgee will be bound by the contractual provisions relating to the reset of interest rates. If the interest reset right remains with the relevant Seller and it becomes insolvent, the co-operation of the trustee (in bankruptcy or suspension of payments) or administrator (in emergency regulations or suspension of payments) would be required to reset the interest rates. If in such event the trustee (in bankruptcy or suspension of payments) or administrator (in emergency regulations or suspension of payments) does not co-operate with the resetting of the interest rates, or sets the interest rate relatively high or low, this may, *inter alia*, result in higher prepayments or lower interest receipts. In such case the Issuer may be more exposed to changes in the relevant rates of interest than it would otherwise have been, in particular if the such interest payment would not be hedged pursuant to by the Swap Agreement (also further *Risk related to the termination of the Swap Agreement*).

Risks related to offering of Investment Mortgage Loans or Life Mortgage Loans

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

Since 2006, an issue has arisen in the Netherlands regarding the costs of investment insurance policies (*beleggingsverzekeringen*), such as the Life Insurance Policies, commonly known as the "usury insurance policy affair" (*woekerpolisaffaire*). It is generally alleged that the costs of these products are disproportionately high, that in some cases a legal basis for such costs is lacking and that the information provided to the insured regarding these costs has not been transparent. On this topic there have been (i) several reports, including reports from the AFM, (ii) a letter from the Minister of Finance to Parliament and (iii) a recommendation, at the request of the Minister of Finance, by the Financial Services Ombudsman to insurers to compensate customers of investment insurance policies for costs exceeding a certain level. Furthermore, there have been press articles stating (i) that individual law suits and class actions may be, and have been, started against individual insurers and (ii) that certain individual insurers have reached agreement with claimant organisations on compensation of its customers for the costs of investment insurance policies entered into with the relevant insurer. The discussion on the costs of the investment insurance policies is currently still continuing, since consumer tv-shows and "no-win, no fee" legal advisors argue that the agreements reached with claimant organisations do not offer adequate compensation. Rulings of courts and the Complaint Institute for Financial Services (*Klachteninstituut Financiële Dienstverlening*) have been published, some of which are still subject to appeal, which were generally favourable for the insured.

If Life Mortgage Loans would for the reasons described in this paragraph be dissolved or terminated, this will affect the collateral granted to secure these Mortgage Loans (the Borrower Insurance Pledges and the Beneficiary Rights would cease to exist). The Issuer has been advised that, depending on the particular circumstances involved, in such case the Mortgage Loans connected thereto can possibly also be dissolved or nullified, but that this may be different depending on the particular circumstances involved. Even if the Mortgage Loan is not affected, the Borrower may invoke set-off or other defences against the Issuer. The analysis in that situation is similar to the situation in case of insolvency of the insurer, except if the relevant Seller is itself liable, whether jointly with the insurer or separately, *vis-à-vis* the Borrower. In this situation, which may depend on the involvement of the relevant Seller in the marketing and sale of the insurance policy, set-off or defences against the Issuer could be invoked, which will probably only become relevant if the insurer and/or the relevant Seller will not indemnify the Borrower. Any such set-off or defences may lead to losses under the Notes.

Risk related to prepayments on the Mortgage Loans

The maturity of the Notes of each Class will depend on, *inter alia*, the amount and timing of payment of principal (including full and partial prepayments, sale of the Mortgage Receivables by the Issuer, Net Foreclosure Proceeds upon enforcement of a Mortgage Loan and repurchase by the relevant Seller of Relevant Mortgage Receivables should such amount received in connection with the repurchase not be applied towards substitution) on the Mortgage Loans and the amount of New Mortgage Receivables offered by the Sellers. The average maturity of the Notes may be adversely affected by a higher or lower than anticipated rate of prepayments on the Mortgage Loans. The rate of prepayment of Mortgage Loans is influenced by a wide variety of economic, social and other factors, including prevailing market interest rates, changes in tax laws (including, but not limited to, amendments to mortgage interest tax deductibility), local and regional economic conditions and changes in Borrowers' behaviour (including, but not limited to, home-owner mobility). No guarantee can be given as to the level of prepayment that the Mortgage Loans may experience, and variation in the rate of prepayments of principal on the Mortgage Loans may affect each Class of Notes differently. The estimated average lives must therefore be viewed with considerable caution and the Noteholders should make their own assessment thereof.

Payments on the Mortgage Receivables are subject to credit, liquidity and interest rate risks

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

Risks of Losses Associated with Declining Values of Mortgaged Assets

The security for the Notes created under the Issuer Mortgage Receivables Pledge Agreement and the Deed of Assignment and Pledge may be affected by, among other things, a decline in the value of the Mortgaged Assets. No assurance can be given that values of the Mortgaged Assets have remained or will remain at the level at which they were on the date of origination of the related Mortgage Loans. A decline in value may result in losses to the Noteholders if the relevant security rights on the Mortgaged Assets are required to be enforced. The relevant Seller will not be liable for any losses incurred by the Issuer in connection with the Relevant Mortgage Loans.

Changes to tax treatment of interest may impose various risks

The Dutch tax system allows borrowers to deduct all mortgage interest payments for owner-occupied residences from their taxable income. There is currently a wide tendency within certain political parties in the Netherlands to end (part of) the favourable tax treatment of mortgage debts or introduce other changes to the tax treatment of such residences or the funding thereof that may affect the value of the tax deduction of mortgage interest payments (hereinafter: "*changes in tax treatment*"). It is not clear whether this will happen in the near future, but it is likely. In this respect it should be noted that five political parties (which together constitute a majority in parliament) have agreed to several new proposals to reduce the state deficit, including a proposal to limit the above described tax deduction for new loans as of January 2013 (see further *Dutch Residential Mortgage Market*). However it is too early to predict what the implications of the current discussions on changes in tax treatment will be as the measures might be partly offset by other measures regarding the current taxation of housing or the tax system in general.

Changes in tax treatment could ultimately have an adverse impact on the ability of Borrowers to repay their Mortgage Receivables. In addition, changes in tax treatment may lead to different prepayment behaviour by Borrowers on their Mortgage Loans resulting in higher or lower prepayment rates of such Mortgage Loans, see *Risk related to prepayments on the Mortgage Loans*. Finally, changes in tax treatment may have an adverse effect on the value of the Mortgaged Assets, see *Risks of Losses associated with declining values of Mortgaged Assets*.

Risk related to the Special Measures Financial Institutions Act

A new act (the "*Wet bijzondere maatregelen financiële ondernemingen*", hereinafter the "**Special Measures Financial Institutions Act**") introducing far-reaching intervention powers of (i) DNB with regard to a bank or insurer having its corporate seat in the Netherlands which is experiencing financial serious problems of which it is foreseeable that these cannot be timely or adequately resolved ("*probleeminstelling*") and (ii) the Minister of Finance with regard to financial institutions ("*financiële ondernemingen*"), in particular if this is necessary to safeguard the stability of the financial system, has been adopted and has entered into effect on 13 June 2012. Virtually the whole Special Measures Financial Institutions Act shall have retroactive effect as of 20 January 2012.

The Special Measures Financial Institutions Act includes (amongst others) new powers for DNB to procure that a "*probleeminstelling*" is transferred, in whole or in part, to a third party. The Minister of Finance is to be granted extensive powers to intervene at financial institutions if this is necessary to safeguard the stability of the financial system. In order to increase the efficacy of these special measures, the proposed Special Measures Financial Institutions Act contains provisions restricting the contractual rights of counterparties of a bank or insurer, including, without limitation, the right to invoke certain contractual provisions or notification events as a result of the bank or insurer having been subjected to certain measures pursuant to the Special Measures Financial Institutions Act (a "*gebeurtenis*"). There is therefore a risk that the enforceability of the rights and obligations of the parties to the Transaction Documents, including without limitation the Sellers and NIBC, may be affected on the basis of the proposed Special Measures Financial Institutions Act, which may lead to losses under Mortgage Receivables and, consequently, to losses under the Notes.

On 6 June 2012, the European Commission published a proposal for a comprehensive framework for crisis management in the financial sector (the "**EU Proposal**") which contains a number of legislative proposals similar to the Special Measures Financial Institutions Act. At this stage it is uncertain if the EU Proposal will be adopted and if so, when and in what form, but after the entering into force of the EU Proposal, the exercise of powers under the EU Proposal could adversely affect the proper performance by the Issuer of its payment and other obligations and enforcement thereof against the same under the terms and conditions of the Notes.

3. PRINCIPAL PARTIES

3.1 ISSUER

The Issuer was incorporated with limited liability under Dutch law on 28 June 2012. The corporate seat ("*statutaire zetel*") of the Issuer is in Amsterdam, the Netherlands. The Issuer operates on a cross-border basis when offering the Notes in certain countries. The registered office of the Issuer is at Frederik Roeskestraat 123, 1076 EE Amsterdam and its telephone number is +31 20 5771 177. The Issuer is registered with the Commercial Register of the Chamber of Commerce of Amsterdam under number 55600840.

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

The Issuer has an authorised share capital of EUR 90,000, of which EUR 18,000 has been issued and is fully paid. All shares of the Issuer are held by Stichting Dutch MBS XVII Holding (see *Shareholder* below).

Statement by managing director of the Issuer

Since its incorporation there has been no material adverse change in the financial position or prospects of the Issuer and the Issuer has not (i) commenced operations, no profits and losses have been made or incurred and it has not declared or paid any dividends nor made any distributions, save for the activities related to its establishment and the securitisation transaction included in this Prospectus nor (ii) prepared any financial statements. There are no legal, arbitration or governmental proceedings which may have, or have had, significant effects on the Issuer's or, as the case may be, the Shareholder's financial position or profitability nor, so far as the Issuer and the Shareholder are aware, are any such proceedings pending or threatened against the Issuer and the Shareholder, respectively, in the previous twelve months.

The Issuer has the corporate power and capacity to issue the Notes, to acquire the Mortgage Receivables and to enter into and perform its obligations under the Transaction Documents (see further *Terms and Conditions* below).

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

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

The Director of the Issuer has entered into the Issuer Management Agreement pursuant to which the Director agrees and undertakes to, *inter alia*, (i) do all that an adequate managing director should do and refrain from what an adequate managing director should not do, and (ii) refrain from taking any action detrimental to the obligations under any of the Transaction Documents or the then current ratings assigned to the Notes, other than the Class F Notes, outstanding. In addition, the Issuer's Director agrees in the Issuer Management Agreement that it will not enter into any agreement in relation to the Issuer other than the Transaction Documents to which it is a party, without Credit Rating Agency Confirmation.

There are no potential conflicts of interest between any duties to the Issuer of its Director and private interests or other duties of the managing director.

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

31 December 2012.

Capitalisation

The following table shows the capitalisation of the Issuer as of the Closing Date as adjusted to give effect to the issue of the Notes:

Share Capital

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

Borrowings

Class A1 Notes	EUR 135,000,000
Class A2 Notes	EUR 365,000,000
Class B Notes	EUR 8,000,000
Class C Notes	EUR 7,000,000
Class D Notes	EUR 5,000,000
Class E Notes	EUR 6,500,000
Class F Notes	EUR 2,700,000
Cash Advance Facility Stand-by Drawing	EUR 7,897,500

3.2 SHAREHOLDER

Stichting Dutch MBS XVII Holding is a foundation ("*stichting*") incorporated under Dutch law on 19 June 2012. The objectives of the Shareholder are, *inter alia*, to incorporate, acquire and to hold shares in the share capital of the Issuer and to exercise all rights attached to such shares and to dispose of and encumber such shares. The sole managing director of the Shareholder is ATC Management B.V.

The Director of the Shareholder has entered into the Shareholder Management Agreement pursuant to which the Director agrees and undertakes to, *inter alia*, (i) do all that an adequate managing director should do and refrain from what an adequate managing director should not do, and (ii) refrain from taking any action detrimental to the obligations under any of the Transaction Documents or the then current ratings assigned to the Notes, other than the Class F Notes, outstanding. In addition, the Shareholder's Director agrees in the Issuer Management Agreement that it will not enter into any agreement in relation to the Issuer other than the Transaction Documents to which it is a party, without Credit Rating Agency Confirmation.

3.3 SECURITY TRUSTEE

Stichting Security Trustee Dutch MBS XVII is a foundation ("*stichting*") incorporated under Dutch law on 20 June 2012. The statutory seat of the Security Trustee is in Amsterdam and its registered office is at Claude Debussylaan 24, 1082 MD Amsterdam, the Netherlands.

The objectives of the Security Trustee are (a) to act as agent and/or trustee for the benefit of the creditors of the Issuer, including the holders of the Notes to be issued by the Issuer; (b) to acquire, hold and administer security rights in its own name, and if necessary to enforce such security rights, for the benefit of the creditors of the Issuer, including the holders of the Notes to be issued by the Issuer, and to perform acts and legal acts, including the acceptance of a parallel debt obligation from the Issuer, which is conducive to the holding of the abovementioned security rights; (c) to borrow money; and (d) to perform any and all acts which are related, incidental or which may be conducive to the above.

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

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

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

However, the Noteholders can resolve to dismiss the Director of the Security Trustee as the director of the Security Trustee by an Extraordinary Resolution, on the basis of the Trust Deed and the articles of incorporation of the Security Trustee. Moreover, each of the Director and the Security Trustee may terminate the appointment as managing director upon giving 90 days' written notice. The Director of the Security Trustee shall only resign from its position as director of the Security Trustee as soon as a suitable person, trust or administration office, reasonably acceptable to the Issuer, after having consulted the Secured Creditors, other than the Noteholders, and provided that the Security Trustee has notified the Credit Rating Agencies of such event and that the Security Trustee, in its reasonable opinion, does not expect that the then current ratings assigned to the Notes, other than the Class F Notes, will be adversely affected as a consequence thereof.

3.4 ORIGINATORS

The Mortgage Loans involved are originated by (i) the Sellers (all 100 per cent. subsidiaries of NIBC) and (ii) in the case of Mortgage Loans sold by Amstelstaete and which were originated prior to 16 December 2004, by Zwitserleven (the Sellers and Zwitserleven collectively referred to as the "**Originators**"). To the extent a Relevant Mortgage Loan was sold but not originated by Amstelstaete, such Relevant Mortgage Loan was originated by Zwitserleven and either (i) transferred to Amstelstaete by means of a contract transfer to which the relevant Borrowers have not abstained their cooperation or (ii) assigned to Amstelstaete, as the case may be, which assignment was notified to the Borrowers.

The only business activity of the Sellers is originating mortgage loans. The registered address of the Sellers is Carnegieplein 4, 2517 KJ The Hague.

NIBC was established on 31 October 1945 as Maatschappij tot Financiering van Nationaal Herstel by the Dutch government along with a number of commercial banks and institutional investors. It was set up to provide financing for the post-World War II economic recovery of the Netherlands. This entity was renamed De Nationale Investeringsbank ("**DNIB**") in 1971 and was listed on the Dutch stock exchange, now Euronext Amsterdam, from 1986 to 1999. During this time DNIB focused on providing and participating in long-term loans and private equity investments.

In 1999, two of Europe's largest pension funds, Algemeen Burgerlijk Pensioenfonds ("**ABP**") and Stichting Pensioenfonds voor de Gezondheid, Geestelijke en Maatschappelijke Belangen ("**PGGM**"), made a public offer for the shares of DNIB through a new joint venture, named NIB Capital N.V. ("**NIB Capital**"). They acquired an 85 percent stake, leaving the Dutch government with a minority interest of approximately 15 percent. NIB Capital acquired these remaining shares from the Dutch state in May 2004. The acquisition and change of name to NIB Capital in 1999 marked the beginning of the evolution from what was essentially a long-term lending bank to an enterprising bank offering advisory, financing and investment services.

In December 2005, a consortium of international financial institutions and investors organised by J.C. Flowers & Co. and ultimately controlled by New NIB Ltd., a company incorporated under the laws of Ireland ("**New NIB Ltd**") (collectively, the "**Consortium**") purchased all of the outstanding equity interests of NIB Capital.

In connection with this acquisition, NIBC Holding N. V. was formed and NIB Capital became its wholly-owned subsidiary and changed its name from NIB Capital N.V. to NIBC N.V. NIBC N.V. subsequently merged (as the disappearing entity) into NIBC Holding N.V. As a result, NIBC N.V.'s subsidiary, NIB Capital Bank N.V. became a direct subsidiary of NIBC Holding N.V. NIB Capital Bank N.V. subsequently changes its name from NIB Capital Bank N.V. to NIBC Bank N.V.

NIBC is a Dutch public limited liability company incorporated on 31 October 1945, with corporate seat in The Hague, The Netherlands and is registered at the Chamber of Commerce of The Hague under number 27032036. NIBC is in compliance with the applicable corporate governance regulations of The Netherlands.

Business Overview

NIBC is organised around two main activities: *Corporate Banking and Consumer Banking*. Indispensable to these activities are *Treasury, Risk Management and Corporate Center*.

Corporate Banking activities cover advice, financing and co-investment provided primarily to medium-sized companies in the Benelux and Germany.

Consumer Banking activities include activities relating to residential mortgages and online saving products via NIBC Direct in The Netherlands, Germany and Belgium.

Treasury is responsible for adequately funding NIBC's assets and managing its interest and liquidity position.

Risk Management is responsible for the identifying, measuring, managing and reporting of financial risk on a bank-wide basis.

Corporate Center provides essential support in areas such as Finance & Tax, Legal & Compliance, Internal Audit, ICT & Operations, Human Resources and Corporate Communications.

Supervisory Board

W.M. van den Goorbergh	Acting Chairman, former Vice Chairman and CFO of the Executive Board of Rabobank Nederland
D. R. Morgan	Vice Chairman, former CEO of Westpac Banking Corporation
A. A. G. Bergen	Former CEO of KBC Group
M. Christner	Managing director JC Flowers & Co UK Ltd
C.H. van Dalen	Member of the Management board and CFO of Vimpelcom Ltd. Former CFO of Royal DSM N.V. and CFO of TNT N.V.
N.W. Hoek	Chairman of the Executive Board of Delta Lloyd Groep
A. de Jong	Former Managing Director at Credit Suisse First Boston Ltd. responsible for investment banking activities in the Benelux
Sir M.C. McCarthy	<i>Chairman JC Flowers & Co Europe, Former chairman of the Financial Services Authority</i>
S.A. Rocker	Managing Director at J.C. Flowers & Co LLC
D.K.M. Rümker	Former Executive Vice President of Westdeutsche Landesbank and former CEO and Chairman of the Managing Board of Landesbank Schleswig-Holstein
A.H.A. Veenhof	Former President & CEO of Philips DAP, member of the Group Management Committee Philips and former CEO of Koninklijke Wessanen N.V.

Managing Board

J. P. Drost	Chairman, Chief Executive Officer
C. van Dijkhuizen	Vice Chairman, Chief Financial Officer
R.H. ten Heggeler	Member
P.C. van Hoeken	Chief Risk Officer

Mortgage Activities

Against a background of institutional investors increasingly looking for direct financing relationships with individual companies, for direct purchases of assets and for increased yield, NIBC is increasingly acting as originator and arranger of structured transactions. It has played a leading role in the development of securitisation in the Netherlands. Since the early 1990s, NIBC has acquired portfolios of residential mortgages from several Dutch insurance companies and other mortgage lenders, assuming the underlying credit risk in respect of the borrower. Management of these portfolios is either retained by the institution concerned or subcontracted to specialised third parties. Initially, NIBC carried these portfolios exclusively on its own balance sheet. Parts of the portfolios were progressively passed on to institutional investors as they acquired interests in them. At the end of 1997, NIBC successfully structured and placed the first pass-through residential mortgage-backed certificates in the Dutch financial market, the Dutch MBS 97-I and Dutch MBS 97-II transactions. Since then, NIBC has successfully structured and/or placed 20 Dutch RMBS transactions. As well as acting as arranger and (joint-) lead manager, NIBC also performs the functions of paying agent and issuer administrator in these transactions.

NIBC Bank N.V. (consolidated)	2011	2010	2009
Group capital base (in millions of EUR)	2,191	2,291	2,197
Loans to customers (in millions of EUR)	9,115	8,693	8,352
Residential mortgages (own book) (in millions of EUR)	3,185	4,429	5,817
Residential mortgages (securitised) (in millions of EUR)	5,560	5,338	4,783
Balance sheet total (in millions of EUR)	28,554	28,014	29,189
Interest income (in millions of EUR)	171	142	72

Net fee and commission income (in millions of EUR)	36	26	32
Other operating income (in millions of EUR)	75	155	217
Operating expenses (in millions of EUR)	170	163	154
Impairments (in millions of EUR)	44	75	124
Tax (in millions of EUR)	1	6	1-
Profit after tax (in millions of EUR)	68	80	43
Result attributable to minority interest (in millions of EUR)	0	3	1-
Net profit attributable to parent shareholder (in millions of EUR)	68	76	44
Return on net asset value	4%	5%	3%
Tier 1 ratio	16.20%	14.50%	16.20%
BIS-ratio	17.50%	15.80%	18.40%
Efficiency Ratio	60%	50%	48%
Number of FTEs end of year	664	669	644

3.5 SERVICER

The Issuer has appointed NIBC to act as its Servicer in accordance with the terms of the Servicing Agreement. The Servicer will initially appoint STATER Nederland B.V. as the Sub-servicer to provide certain of the MPT services in respect of the Mortgage Receivables.

For further information regarding NIBC see *Originators* above.

3.6 ISSUER ADMINISTRATOR

The Issuer has appointed NIBC to act as its Issuer Administrator in accordance with the terms of the Administration Agreement.

For further information regarding NIBC see *Originators* above.

3.7 OTHER PARTIES

Cash Advance Facility Provider:	NIBC.
Swap Counterparty:	Credit Suisse International.
Issuer Account Bank:	ABN AMRO Bank N.V.
Sub-servicer:	The Servicer will initially appoint STATER Nederland B.V., incorporated under Dutch law as a private company with limited liability (" <i>besloten vennootschap met beperkte aansprakelijkheid</i> ") as its sub-agent to provide certain of the MPT services in respect of the Mortgage Receivables.
Previous Transaction Security Trustees:	Stichting Security Trustee Essence IV, Stichting Security Trustee Essence III, Stichting Security Trustee Dutch MBS XVI, Stichting Security Trustee Dutch MBS XV, Stichting Security Trustee Dutch MBS XIV, Stichting Security Trustee Dutch MBS 99-I, Stichting Security Trustee Dutch MBS 99-II, Stichting Security Trustee Dutch MBS IX, Stichting Security Trustee Dutch MBS X, Stichting Security Trustee Dutch MBS XI, Stichting Security Trustee Dutch MBS XII, Stichting Security Trustee Essence I, Stichting Security Trustee SOUND I, Stichting Security Trustee SOUND II, Stichting Security Trustee SwAFE, Stichting Security Trustee Essence II and Stichting Security Trustee NIBC Covered Bond Company.
Previous Transaction SPVs:	Essence IV B.V., Essence III B.V., Dutch MBS XVI B.V., Dutch MBS XV B.V., Dutch MBS XIV B.V., Dutch MBS 99-I B.V., Dutch MBS 99-II B.V., Dutch MBS IX B.V., Dutch MBS X B.V., Dutch MBS XI B.V., Dutch MBS XII, B.V. Essence I B.V., Essence II B.V., SOUND I B.V., SOUND II B.V., SwAFE I B.V. and NIBC Covered Bond Company B.V.
Directors:	ATC Management B.V., the sole director of the Issuer and of Stichting Dutch MBS XVII Holding and ANT Securitisation Services B.V., the sole director of the Security Trustee.
Paying Agent:	NIBC.
Reference Agent:	NIBC.
Listing Agent:	NIBC.
Arranger:	NIBC.
Managers:	In respect of the Class A Notes, Credit Suisse Securities (Europe) Limited, Jefferies International Limited and NIBC, being the Class A Managers, and in respect of the Subordinated Notes and the Class F Notes, NIBC, being the Class B, C, D, E and F Manager.
Common Service Provider:	BNP Paribas Securities Services, Luxembourg Branch.
Common Safekeeper:	In respect of the Class A Notes, Euroclear and in respect of the Notes, other than the Class A Notes, BNP Paribas Securities Services, Luxembourg Branch.

4 THE NOTES

4.1 TERMS AND CONDITIONS

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

The issue of the EUR 135,000,000 Class A1 Mortgage-Backed Notes 2012 due 2044 (the "**Class A1 Notes**"), the EUR 365,000,000 Class A2 Mortgage-Backed Notes 2012 due 2044 (the "**Class A2 Notes**" and together with the Class A1 Notes, the "**Class A Notes**"), the EUR 8,000,000 Class B Mortgage-Backed Notes 2012 due 2044 (the "**Class B Notes**"), the EUR 7,000,000 Class C Mortgage-Backed Notes 2012 due 2044 (the "**Class C Notes**"), the EUR 5,000,000 Class D Mortgage-Backed Notes 2012 due 2044, the EUR 6,500,000 Class E Mortgage-Backed Notes 2012 due 2044 (the "**Class E Notes**" and together with the Class B Notes, the Class C Notes and the Class D Notes, the "**Subordinated Notes**"), and the EUR 2,700,000 Class F Notes 2012 due 2044 (the "**Class F Notes**" and together with the Class A Notes and the Subordinated Notes, the "**Notes**") was authorised by a resolution of the managing director of the Issuer passed on or about 28 September 2012. The Notes are issued under the Trust Deed on the Closing Date.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of (i) the Trust Deed, which will include the forms of the Notes and Coupons, and the Temporary Global Notes and the Permanent Global Notes, (ii) the Paying Agency Agreement, (iii) the Servicing Agreement, (iv) the Parallel Debt Agreement and (v) the Pledge Agreements.

Certain words and expressions used herein (and not otherwise defined herein) are defined in a master definitions agreement as amended from time to time (the "**Master Definitions Agreement**") dated the Signing Date and entered into between the Issuer, the Security Trustee, the Sellers and certain other parties. Such words and expressions shall, except where the context requires otherwise, have the same meanings in these Conditions. If the terms or definitions in the Master Definitions Agreement would conflict with terms or definitions used herein, the terms and definitions of these Conditions shall prevail. The Class A Notes comprise of the Class A1 Notes and the Class A2 Notes and the Class A1 Notes and the Class A2 Notes rank *pari passu* and *pro rata* without any preference or priority among all Notes of such Class in respect of the Security and payments of interest. Provided that no Enforcement Notice has been given, payments of principal on the Class A Notes are applied firstly to the Class A1 Notes and then to the Class A2 Notes. To the extent that the Available Principal Redemption Funds are insufficient to redeem the Class A1 Notes and/or the Class A2 Notes in full when due in accordance with the Conditions for a period of fifteen days or more, this will constitute an Event of Default in accordance with Condition 10(a). The Class A2 Notes do not therefore purport to provide credit enhancement to the Class A1 Notes. If, on any date, the Security is to be enforced and the proceeds of the enforcement would be insufficient to fully redeem the Class A Notes in full, such loss will be borne, *pro rata* and *pari passu*, by the holders of the Class A Notes. If the Class A1 Notes have been redeemed (in part or in full) at such time, this will result in the Class A2 Notes bearing a greater loss than that borne by the Class A1 Notes.

Copies of the Paying Agency Agreement, the Trust Deed, the Pledge Agreements, and the Master Definitions Agreement and certain other Transaction Documents (see *General* below) are available for inspection, free of charge, by Noteholders at the specified office of the Paying Agent and the present office of the Security Trustee, being at the date hereof Claude Debussylaan 24, 1082 MD Amsterdam, the Netherlands. Any reference to a Transaction Document shall be a reference to such Transaction Document as amended from time to time. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Paying Agency Agreement, the Parallel Debt Agreement, the Pledge Agreements and the Master Definitions Agreement.

1. Form, Denomination and Title

The Notes will be in bearer form serially numbered with Coupons attached on issue in denominations EUR 100,000 and higher integral multiples of EUR 1,000 each. Under Dutch law, the valid transfer of Notes or Coupons requires, *inter alia*, delivery ('*levering*') thereof. The Issuer, the Security Trustee and the Paying Agent may, to the fullest extent permitted by law, treat the holder of any Note and of the Coupons appertaining thereto as its absolute owner for all purposes (whether or not payment under such Note or

Coupon shall be overdue and notwithstanding any notice of ownership or writing thereon or any notice of previous loss or theft thereof) for any purposes, including payment and no person shall be liable for so treating such holder. The signatures on the Notes will be in facsimile.

For as long as the Notes are represented by a Global Note and Euroclear and/or Clearstream, Luxembourg so permit, such Notes will be tradeable only in the minimum authorised denomination of EUR 100,000 and higher integral multiples of EUR 1,000. Notes in definitive form, if issued, will only be printed and issued in denominations of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000. No Notes in definitive form will be issued with a denomination above EUR 199,000. All such Notes will be serially numbered and will be issued in bearer form with (at the date of issue) Coupons and, if necessary, talons attached.

2. Status, Priority and Security

- (a) The Notes of each Class are direct and unconditional obligations of the Issuer and rank *pari passu* and rateably without any preference or priority among Notes of the same Class. The Class A Notes comprise of the Class A1 Notes and the Class A2 Notes and the Class A1 Notes and the Class A2 Notes rank *pari passu* and *pro rata* without any preference or priority among all Notes of such Class in respect of the Security and payments of interest. Provided that no Enforcement Notice has been given, payments of principal on the Class A Notes are applied firstly to the Class A1 Notes and then to the Class A2 Notes.
- (b) In accordance with the provisions of Conditions 4, 6 and 9 and the Trust Deed (i) payments of principal and interest on the Class B Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes, (ii) payments of principal and interest on the Class C Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes and the Class B Notes, (iii) payments of principal and interest on the Class D Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes, the Class B Notes and the Class C Notes, (iv) payments of principal and interest on the Class E Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes and (v) payments of principal and interest on the Class F Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes.
- (c) The Security for the obligations of the Issuer towards, *inter alia*, the Noteholders will be created pursuant to, and on the terms set out in, the Trust Deed and the Pledge Agreements, which will create, *inter alia*, the following security rights:
 - (i) a first ranking pledge by the Issuer to the Security Trustee over the Mortgage Receivables and the Beneficiary Rights and all rights ancillary thereto;
 - (ii) a first ranking pledge by the Issuer to the Security Trustee on the Issuer's rights (a) against the Sellers under or in connection with the Mortgage Receivables Purchase Agreement; (b) against the Servicer under or in connection with the Servicing Agreement; (c) against the Issuer Administrator under or in connection with the Administration Agreement; (d) against the Issuer Account Bank under or in connection with the Issuer Account Agreement and in respect of the Issuer Accounts, (e) against the Swap Counterparty under or in connection with the Swap Agreement and (f) against the Cash Advance Facility Provider under or in connection with the Cash Advance Facility Agreement.
- (d) The obligations under the Notes are secured (directly and/or indirectly) by the Security. The obligations under the Class A Notes (being the Class A1 Notes and the Class A2 Notes jointly) will rank in priority to the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, the Class B Notes will rank in priority to the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, the Class C Notes will rank in priority to the Class D Notes, the Class E Notes and the Class F Notes, the Class D Notes will rank in priority to the Class E Notes and the Class F Notes and the Class E Notes will rank in priority to the Class F Notes in the event of the Security being enforced. The Trust Deed contains provisions requiring the Security Trustee to have regard only to the interests of the Secured Creditors as regards all powers, trust,

authorities, duties and discretions of the Security Trustee (except where expressly provided otherwise). If there is a conflict of interest between any Classes of Noteholders, the Security Trustee shall have regard only to the interest of the highest ranking Class of Noteholders. In this respect the order of priority is as follows: first, the Class A Noteholders, second, the Class B Noteholders, third, the Class C Noteholders, fourth, the Class D Noteholders, fifth, the Class E Noteholders and sixth, the Class F Noteholders. In addition, the Security Trustee shall have regard to the interest of the other Secured Creditors, provided that in case of a conflict of interest between the Secured Creditors the Post-Enforcement Priority of Payments set forth in the Trust Deed determines which interest of which Secured Creditor prevails.

3. Covenants of the Issuer

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

- (a) carry out any business other than as described in the Prospectus dated 1 October 2012, relating to the issue of the Notes and as contemplated in the Transaction Documents;
- (b) incur any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness except as contemplated in the Transaction Documents;
- (c) create or promise to create any mortgage, charge, pledge, lien or other security interest whatsoever over any of its assets, or use, invest, sell, transfer or otherwise dispose of or grant any options or rights to any part of its assets except as contemplated by the Transaction Documents;
- (d) consolidate or merge with any other person or convey or transfer its properties or assets substantially or as an entirety to any person;
- (e) permit the validity or effectiveness of the Transaction Documents, or the priority of the security created thereby or pursuant thereto to be amended, terminated, waived, postponed or discharged, or permit any person whose obligations form part of such security rights to be released from such obligations or consent to any waiver except as contemplated in the Transaction Documents;
- (f) have any employees or premises or have any subsidiary or subsidiary undertaking; and
- (g) have an interest in any bank account other than the Issuer Accounts unless all rights in relation to such account will have been pledged to the Security Trustee as provided in Condition 2(c)(ii) or an account to which collateral under the swap agreement is transferred.

4. Interest

(a) *Period of Accrual*

The Notes shall bear interest on their Principal Amount Outstanding (as defined in Condition 6 (c)) from and including the Closing Date. Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) shall cease to bear interest from its due date for redemption unless, upon due presentation, payment of the relevant amount of principal or any part thereof is improperly withheld or refused. In such event, interest will continue to accrue thereon (before and after any judgment) at the rate applicable to such Note up to but excluding the date on which, on presentation of such Note, payment in full of the relevant amount of principal is made or (if earlier) the seventh day after notice is duly given by the Paying Agent to the holder thereof (in accordance with Condition 13) that upon presentation thereof, such payments will be made, provided that upon such presentation payment is in fact made. Whenever it is necessary to compute an amount of interest in respect of any Note for any period (including any Interest Period), such interest shall be calculated on the basis of the actual days elapsed in such period and a 360 day year.

(b) *Interest Periods and Notes Payment Dates*

Interest on the Notes is payable by reference to the successive Interest Periods. Each successive Interest Period will commence on (and include) a Notes Payment Date and end on (but exclude)

the next succeeding Notes Payment Date, except for the first Interest Period which will commence on (and include) the Closing Date and end on (but exclude) the Notes Payment Date falling in January 2013.

Interest on each of the Notes shall be payable quarterly in arrear in EUR in respect of the Principal Amount Outstanding (as defined in Condition 6(c)) of each Class of Notes on each Notes Payment Date, which is the each of the 2nd day of January, April, July and October of each year or, if such day is not a Business Day, the immediately succeeding Business Day unless it would as a result fall in the next calendar month, in which case it will be the Business Day immediately preceding such day.

(c) *Interest up to (and including) the First Optional Redemption Date*

Up to (and including) the First Optional Redemption Date (as defined in Condition 6(c)), interest on the Notes for each Interest Period will accrue from the Closing Date at an annual rate equal to the sum of the Euro Interbank Offered Rate ("**Euribor**") for three month deposits in EUR (determined in accordance with paragraph (e) below) (or, in respect of the first Interest Period, the rate which represents the linear interpolation of Euribor for two (2) and three (3) month deposits in EUR, rounded, if necessary, to the 5th decimal place with 0.000005, being rounded upwards), plus:

- (i) for the Class A1 Notes, a margin of 0.75 per cent. per annum;
- (ii) for the Class A2 Notes, a margin of 1.35 per cent. per annum;
- (iii) for the Class B Notes, a margin of 2.00 per cent. per annum;
- (iv) for the Class C Notes, a margin of 2.25 per cent. per annum;
- (v) for the Class D Notes, a margin of 2.50 per cent. per annum;
- (vi) for the Class E Notes, a margin of 2.75 per cent. per annum; and
- (vii) for the Class F Notes, a margin of 3.00 per cent. per annum.

(d) *Interest following the First Optional Redemption Date*

If on the First Optional Redemption Date (as defined in Condition 6(e)) any Class of Notes, other than the Class F Notes, will not have been redeemed in full, the rate of interest applicable to the relevant Class of Notes will accrue at an annual rate equal to the sum of Euribor for three month deposits, plus:

- (i) for the Class A1 Notes, a margin of 1.50 per cent. per annum;
- (ii) for the Class A2 Notes, a margin of 2.70 per cent. per annum;
- (iii) for the Class B Notes, a margin of 0.00 per cent. per annum;
- (iv) for the Class C Notes, a margin of 0.00 per cent. per annum;
- (v) for the Class D Notes, a margin of 0.00 per cent. per annum;
- (vi) for the Class E Notes, a margin of 0.00 per cent. per annum; and
- (vii) for the Class F Notes, a margin of 0.00 per cent. per annum.

(e) *Euribor*

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

- (i) The Reference Agent will, subject to Condition 4(c) obtain for each Interest Period the rate equal to Euribor for three month deposits in euros. The Reference Agent shall use the Euribor rate as determined and published jointly by the European Banking Federation and ACI - The Financial Market Association and which appears for information purposes on the Reuters Screen EURIBOR01, (or, if not available, any other display page on any screen service maintained by any registered information vendor for the display of the Euribor rate selected by the Reference Agent) as at or about 11.00 am (Brussels time) on the day that is two Business Days preceding the first day of each Interest Period (each an "**Interest Determination Date**");
- (ii) If, on the relevant Interest Determination Date, such Euribor rate is not determined and published jointly by the European Banking Association and ACI — The Financial Market Association, or if it is not otherwise reasonably practicable to calculate the rate under (i) above, the Reference Agent will, after having consulted the Swap Counterparty:

- (A) request the principal Euro-zone office of each of four major banks in the Euro-zone interbank market (the "**Euribor Reference Banks**") to provide a quotation for the rate at which three month euro deposits are offered by it in the Euro-zone interbank market at approximately 11.00 am (Brussels time) on the relevant Interest Determination Date to prime banks in the Euro-zone interbank market in an amount that is representative for a single transaction at that time; and
 - (B) if at least two quotations are provided, determine the arithmetic mean (rounded, if necessary, to the fifth decimal place with 0.000005 being rounded upwards) of such quotations as provided; and
- (iii) if fewer than two such quotations are provided as requested, the Reference Agent will determine the arithmetic mean (rounded, if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the rates quoted by major banks, of which there shall be at least two in number, in the Euro-zone, selected by the Reference Agent, at approximately 11.00 am (Brussels time) on the relevant Interest Determination Date for three month deposits to leading Euro-zone banks in an amount that is representative for a single transaction in that market at that time,

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

(f) *Determination of the Interest Rates and Calculation of Interest Amounts*

The Reference Agent will, as soon as practicable after 11.00 am (Brussels time) on each Interest Determination Date, determine the rates of interest referred to in paragraphs (c) and (d) above for each Class of Notes and calculate the amount of interest payable on each of the Notes for the following Interest Period (the "**Interest Amount**") by applying the relevant Interest Rates to the Principal Amount Outstanding of each Class of Notes respectively. The determination of the relevant Interest Rates and each Interest Amount by the Reference Agent shall (in the absence of manifest error) be final and binding on all parties.

(g) *Notification of Interest Rates and Interest Amounts*

The Reference Agent will cause the relevant Interest Rates and the relevant Interest Amount and the Notes Payment Date applicable to each relevant Class of the Notes to be notified to the Issuer, the Security Trustee, the Paying Agent, the Issuer Administrator, the holders of such Class of Notes, other than the Class F Notes, and Euronext Amsterdam. The Interest Rates, Interest Amount and Notes Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period.

(h) *Determination or Calculation by Security Trustee*

If the Reference Agent at any time for any reason does not determine the relevant Interest Rates or fails to calculate the relevant Interest Amounts in accordance with Condition 4(e) above, the Security Trustee shall determine the relevant Interest Rate, at such rate as, in its absolute discretion (having such regard as it shall think fit to the procedure described in Condition 4(f) above), it shall deem fair and reasonable under the circumstances, or, as the case may be, the Security Trustee shall calculate the Interest Amounts in accordance with Condition 4(f) above, and each such determination or calculation shall be final and binding on all parties.

(i) *Reference Banks and Reference Agent*

The Issuer will procure that, as long as any of the Notes remains outstanding, there will at all times be a Reference Agent. The Issuer has, subject to prior written consent of the Security Trustee, the right to terminate the appointment of the Reference Agent by giving at least 90 days' notice in writing to that effect. Notice of any such termination will be given to the holders of the Notes in accordance with Condition 13. If any person shall be unable or unwilling to continue to act as the Reference Agent or if the appointment of the Reference Agent shall be terminated, the Issuer will, with the prior written consent of the Security Trustee, appoint a successor reference agent to act in

its place, provided that neither the resignation nor removal of the Reference Agent shall take effect until a successor approved in writing by the Security Trustee has been appointed.

5. Payment

- (a) Payment of principal and interest in respect of the Notes will be made upon presentation of the Note and against surrender of the relevant Coupon appertaining thereto at any specified office of the Paying Agent by transfer to a euro account maintained by the payee with a bank in the Netherlands. All such payments are subject to any fiscal or other laws and regulations applicable in the place of payment.
- (b) At the Final Maturity Date (as defined in Condition 6(a)), or at such earlier date on which the Notes become due and payable, the Notes should be presented for payment together with all unmatured Coupons appertaining thereto, failing which the full amount of any such missing unmatured Coupons (or, in the case of payment not being made in full, that proportion of the full amount of such missing unmatured Coupons which the sum of principal so paid bears to the total amount of principal due) will be deducted from the sum due for payment. Each amount so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon at any time before the expiry of five years following the due date for payment of such principal (whether or not such Coupons would have become unenforceable pursuant to Condition 8).
- (c) If the relevant Notes Payment Date is not a day on which banks are open for business in the place of presentation of the relevant Note and Coupon (a "**Local Business Day**") the holder of the Note shall not be entitled to payment until the next following Local Business Day, such day, or to any interest or other payment in respect of such delay, provided that in the case of payment by transfer to an euro account as referred to above, the Paying Agent shall not be obliged to credit such account until the day on which banks in the place of such account is open for business immediately following the day on which banks are open for business in the Netherlands. The name of the Paying Agent and details of its offices are set out on the last page of the Prospectus.
- (d) The Issuer reserves the right at any time to vary or terminate the appointment of the Paying Agent and to appoint additional or other paying agents provided that no paying agents located in the United States of America will be appointed. Notice of any termination or appointment of a Paying Agent will be given to the Noteholders in accordance with Condition 13.

6. Redemption

(a) *Final redemption*

If and to the extent not otherwise redeemed, the Issuer will redeem the Notes at their respective Principal Amount Outstanding and, in respect of the Notes other than the Class A Notes, subject to Condition 9(b), on the Final Maturity Date, which falls on the Notes Payment Date falling in October 2044.

(b) *Mandatory redemption*

Provided that no Enforcement Notice has been served in accordance with Condition 10, without prejudice to the obligations in Condition 6(e), the Issuer shall be obliged to apply on the Notes Payment Date falling in January 2013 and each Notes Payment Date thereafter the Available Principal Redemption Funds to redeem the Notes, other than the Class F Notes, whether in full or in part, at their respective Principal Amount Outstanding, on a *pro rata* basis within each Class in the following order:

- (i) *first*, the Class A1 Notes until fully redeemed and, subsequently, the Class A2 Notes until fully redeemed, provided that if the Pro Rata Trigger applies, the Class A1 Notes and the Class A2 Notes pro rata, until fully redeemed;
- (ii) *second*, the Class B Notes until fully redeemed;
- (iii) *third*, the Class C Notes until fully redeemed;
- (iv) *fourth*, the Class D Notes until fully redeemed; and
- (v) *fifth*, the Class E Notes until fully redeemed.

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

(c) *Definitions*

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

"Available Principal Funds" shall mean on any Notes Calculation Date the sum of the following amounts as being received during (or in respect of) the Notes Calculation Period preceding such Notes Calculation Date:

- (i) as repayment and prepayment of principal under the Mortgage Receivables received by the Issuer on or prior to such Notes Calculation Date and paid by the Borrower during such Notes Calculation Period, including, in respect of principal, any amounts paid on the first, second and third Business Day following such Notes Calculation Period (and, for the avoidance of doubt, including in respect of the first Notes Calculation Period the amounts received as Pre-Closing Proceeds to the extent relating to principal), but excluding any such amounts received by the Sellers and/or the Collection Foundation during such Notes Calculation Period and already included in the Available Principal Funds calculated on the Notes Calculation Date immediately preceding such Notes Calculation Date, excluding Prepayment Penalties;
- (ii) as Net Principal Proceeds on any Mortgage Receivable;
- (iii) as amounts received in connection with a repurchase of Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement and any other amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal;
- (iv) as amounts received in connection with a sale of Mortgage Receivables pursuant to the Trust Deed to the extent such amounts relate to principal but up to the aggregate Outstanding Principal Amount of such Mortgage Receivables;
- (v) as amounts to be debited to the Principal Deficiency Ledger on the immediately succeeding Notes Payment Date in accordance with the Administration Agreement; and
- (vi) (a) any part of the Available Principal Funds calculated on the immediately preceding Notes Calculation Date, which has not been applied towards redemption of the Notes on the immediately preceding Notes Payment Date, (b) any amount to be drawn from the Principal Reconciliation Ledger on the immediately succeeding Notes Payment Date to the extent relating to principal and in respect of the first Notes Payment Date following the Closing Date only (c) an amount equal to the difference between (a) the Principal Outstanding Amount of the Notes on the Closing Date, other than the Class F Notes, and (b) the Initial Purchase Price of the Mortgage Receivables purchased on the Closing Date;

less:
- (vii) (a) the Substitution Available Amount, if and to the extent such amount will be actually applied to the purchase of New Mortgage Receivables on the next succeeding Notes Payment Date and (b) any amounts available to the Issuer to the extent relating to principal required to be credited to the Principal Reconciliation Ledger on the immediately

succeeding Notes Payment Date in accordance with the Administration Agreement; and

"Available Principal Redemption Funds" shall mean on any Notes Calculation Date an amount equal to the Available Principal Funds less the amounts paid pursuant to item (a) of the Redemption Priority of Payments;

"Principal Amount Outstanding" on any date shall be the principal amount of that Note upon issue less the aggregate amount of all Redemption Amounts, that have become due and payable prior to such date, provided that for the purpose of Conditions 4, 6 and 10 all Redemption Amounts that have become due and not been paid shall not be so deducted.

"Net Principal Proceeds" shall mean the Net Foreclosure Proceeds after deduction of the amount to be applied towards interest due and/or accrued due (including penalty interest) under the relevant Mortgage Receivable.

"Substitution Available Amount" shall mean the sum of the amounts received in connection with a repurchase of Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement and any other amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal.

The **"Pro Rata Trigger"** means, with respect to the Redemption Priority of Payments, the trigger that applies from the moment on which an amount is recorded on the Class A Principal Deficiency Ledger.

(d) *Determination of the Available Principal Funds, the Available Principal Redemption Funds, Redemption Amount and Principal Amount Outstanding*

(i) On each Notes Calculation Date, the Issuer shall determine (or cause the Issuer Administrator to determine) (a) the Available Principal Funds, (b) the Available Principal Redemption Funds, (c) the Class F Redemption Amount, (d) the amount of the Redemption Amount due for the relevant Class of Notes on the Notes Payment Date and (e) the Principal Amount Outstanding of the relevant Note on the first day following the Notes Payment Date. Each such determination by or on behalf of the Issuer shall in each case (in the absence of a manifest error) be final and binding on all persons.

(ii) The Issuer will on each Notes Calculation Date cause each determination of (a) the Available Principal Funds, (b) the Available Principal Redemption Funds, (c) the Class F Redemption Amount, (d) the amount of the Redemption Amount due for the relevant Class of Notes on the Notes Payment Date and (e) the Principal Amount Outstanding of the Notes to be notified forthwith to the Security Trustee, the Paying Agent, the Reference Agent, Euroclear and Clearstream, Luxembourg and to the holders of Notes in accordance with Condition 13. If no Redemption Amount, is due to be made on the Notes on any applicable Notes Payment Date, a notice to this effect will be given to the Noteholders in accordance with Condition 13.

(iii) If the Issuer or the Issuer Administrator on its behalf does not at any time for any reason determine any of the amounts set forth in item (i) above, such amount shall be determined by the Security Trustee in accordance with Condition 6(a), (b), (c) and (i) (but based upon the information in its possession as to the relevant amounts and each such determination or calculation shall be deemed to have been made by the Issuer and shall in each case (in the absence of a manifest error) be final and binding on all persons.

(e) *Optional Redemption*

Unless previously redeemed in full, the Issuer may at its option on each Optional Redemption Date redeem all (but not some only) of the Notes, other than the Class F Notes, at their respective Principal Amount Outstanding and, in respect of the Subordinated Notes, subject to Condition 9(b).

No Class of Notes may be redeemed under such circumstances unless all Classes of Notes (or such of them as are then outstanding), other than the Class F Notes, are also redeemed in full

subject to, in respect of the Subordinated Notes, Condition 9(b), at the same time.

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

(f) *Redemption for tax reasons*

All (but not some only) of the Notes, other than the Class F Notes, may be redeemed at the option of the Issuer on any Notes Payment Date, at their Principal Amount Outstanding and, in respect of the Subordinated Notes, subject to Condition 9(b), if, immediately prior to giving such notice, the Issuer has satisfied the Security Trustee that:

- (a) the Issuer is or will be obliged to make any withholding or deduction for, or on account of, any taxes, duties, or charges of whatsoever nature from payments in respect of any Class of Notes as a result of any change in, or amendment to, the application of the laws or regulations of the Netherlands or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which becomes effective on or after the Closing Date and such obligation cannot be avoided by the Issuer taking reasonable measures available to it; and
- (b) the Issuer will have sufficient funds available on the Notes Calculation Date immediately preceding such Notes Payment Date to discharge all amounts of principal and interest due in respect of the Notes, other than the Class F Notes, and any amounts required to be paid in priority or *pari passu* with each Class of Notes in accordance with the Trust Deed.

No Class of Notes may be redeemed under such circumstances unless all Classes of Notes (or such of them as are then outstanding), other than the Class F Notes, are also redeemed in full subject to, in respect of the Subordinated Notes, Condition 9(b), at the same time.

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

(g) *Redemption for regulatory reasons*

All (but not some only) of the Notes, other than the Class F Notes, may be redeemed by the Issuer, upon the direction of NIBC Bank N.V., (the sole (indirect) shareholder of the Sellers) on any Notes Payment Date, at their Principal Amount Outstanding and, in respect of the Subordinated Notes, subject to Condition 9(b), if:

- (a) a change published on or after the Closing Date in the Basel Accord or in Bank Regulations applicable to NIBC Bank N.V. (including any change in the Bank Regulations enacted for purposes of implementing a change to the Basel Accord) or a change in the manner in which the Basel Accord or such Bank Regulations are interpreted or applied by the Basel Committee on Banking Supervision or by any relevant competent international, European or national body (including any relevant international, European or Dutch Central Bank or other competent authority) which has the effect of adversely affecting the rate of return on capital of NIBC Bank N.V. or increasing the cost or reducing the benefit to NIBC Bank N.V. with respect to the transaction contemplated by the Notes (a "**Regulatory Change**"); and
- (b) the Issuer will have sufficient funds available on the Notes Calculation Date immediately preceding such Notes Payment Date to discharge all amounts of principal and interest due in respect of the Notes and any amounts required to be paid in priority or *pari passu* with each Class of Notes, other than the Class F Notes, in accordance with the Trust Deed.

No Class of Notes may be redeemed under such circumstances unless all Classes of Notes (or such of them as are then outstanding), other than the Class F Notes, are also redeemed in full subject to, in respect of the Subordinated Notes, Condition 9(b), at the same time.

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

(h) *Clean-Up Call Option*

If on any Notes Payment Date the aggregate Outstanding Principal Amount of the Mortgage Receivables is equal to or less than ten (10) per cent. of the aggregate Outstanding Principal Amount of the Mortgage Receivables on the Closing Date, the Issuer has the option (but not the obligation) to redeem all (but not some only) of the Notes, other than the Class F Notes, at their Principal Amount Outstanding, and in respect of the Subordinated Notes, subject to Condition 9(b).

No Class of Notes may be redeemed under such circumstances unless all Classes of Notes (or such of them as are then outstanding), other than the Class F Notes, are also redeemed in full subject to, in respect of the Subordinated Notes, Condition 9(b), at the same time.

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

(i) *Mandatory Redemption of Class F Notes*

Provided that no Enforcement Notice has been served in accordance with Condition 10, the Issuer will be obliged to apply the Class F Available Principal Funds to redeem (or partially redeem) on a *pro rata* basis the Class F Notes on the Notes Payment Date falling in January 2013 and each Notes Payment Date thereafter until fully redeemed. For the purpose of this Condition, "**Class F Available Principal Funds**" shall mean on the Notes Calculation Date immediately preceding the relevant Notes Payment Date until the Class F Notes are redeemed in full, the Available Revenue Funds remains after all payments ranking above item (q) in the Revenue Priority of Payments have been made in full.

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

7. Taxation

All payments of, or in respect of, principal of and interest on the Notes will be made without withholding of, or deduction for, or on account of any present or future taxes, duties, assessments or charges of whatsoever nature imposed or levied by or on behalf of the Netherlands, any authority therein or thereof having power to tax unless the withholding or deduction of such taxes, duties, assessments or charges are required by law. In that event, the Issuer will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the Noteholders, as the case may be, and shall not pay any additional amounts to such Noteholders. In particular, but without limitation, no additional amounts shall be payable in respect of any Note or Coupon presented for payment where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to the European Union Directive on the taxation of savings that was adopted on 3 June 2003 or any law implementing or complying with, or introduced in order to conform to, such Directive.

8. Prescription

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

9. Subordination

(a) *Interest*

Interest on the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes shall be payable in accordance with the provisions of Conditions 4 and 5, subject to the terms of this Condition.

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

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

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

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

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

In the event that on any Notes Calculation Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest due on the Class F Notes on the next Notes Payment Date, the amount available (if any) shall be applied *pro rata* to the amount of interest due on such Notes Payment Date to the holders of the Class F Notes. In the event of a shortfall, the Issuer shall credit the Class F Notes Interest Shortfall Ledger, with an amount equal to the amount by which the aggregate amount of interest paid on the Class F Notes, on any Notes Payment Date

in accordance with this Condition falls short of the aggregate amount of interest payable on the Class F Notes on that date pursuant to Condition 4. Such shortfall shall not be treated as due on that date for the purposes of Condition 4, but shall accrue interest as long as it remains outstanding at the rate of interest applicable to the Class F Notes for such period, and a *pro rata* share of such shortfall and accrued interest thereon shall be aggregated with the amount of, and treated for the purpose of these Conditions as if it were interest due, subject to this Condition, on each Class F Note on the next succeeding Notes Payment Date.

(b) *Principal*

Until the date on which the Principal Amount Outstanding of all Class A Notes is reduced to zero, the Class B Noteholders will not be entitled to any repayment of principal in respect of the Class B Notes. If, on any Notes Calculation Date, there is a balance on the Class B Principal Deficiency Ledger, then notwithstanding any other provisions of these Conditions, the principal amount payable on redemption of each Class B Note on the immediately succeeding Notes Payment Date shall not exceed its Principal Amount Outstanding less the Class B Principal Shortfall on such Notes Payment Date. The Class B Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Class B Notes after the date on which the Issuer no longer holds any Mortgage Receivables and there is no balance standing to the credit of the Issuer Transaction Accounts and the Issuer has no further rights under or in connection with any of the Transaction Documents.

Until the date on which the Principal Amount Outstanding of all Class B Notes is reduced to zero, the Class C Noteholders will not be entitled to any repayment of principal in respect of the Class C Notes. If, on any Notes Calculation Date, there is a balance on the Class C Principal Deficiency Ledger, then notwithstanding any other provisions of these Conditions, the principal amount payable on redemption of each Class C Note on the immediately succeeding Notes Payment Date shall not exceed its Principal Amount Outstanding less the Class C Principal Shortfall on such Notes Payment Date. The Class C Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Class C Notes after the date on which the Issuer no longer holds any Mortgage Receivables and there is no balance standing to the credit of the Issuer Transaction Accounts and the Issuer has no further rights under or in connection with any of the Transaction Documents.

Until the date on which the Principal Amount Outstanding of all Class C Notes is reduced to zero, the Class D Noteholders will not be entitled to any repayment of principal in respect of the Class D Notes. If, on any Notes Calculation Date, there is a balance on the Class D Principal Deficiency Ledger, then notwithstanding any other provisions of these Conditions, the principal amount payable on redemption of each Class D Note on the immediately succeeding Notes Payment Date shall not exceed its Principal Amount Outstanding less the Class D Principal Shortfall on such Notes Payment Date. The Class D Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Class D Notes after the date on which the Issuer no longer holds any Mortgage Receivables and there is no balance standing to the credit of the Issuer Transaction Accounts and the Issuer has no further rights under or in connection with any of the Transaction Documents.

Until the date on which the Principal Amount Outstanding of all Class D Notes is reduced to zero, the Class E Noteholders will not be entitled to any repayment of principal in respect of the Class E Notes. If, on any Notes Calculation Date, there is a balance on the Class E Principal Deficiency Ledger, then notwithstanding any other provisions of these Conditions, the principal amount payable on redemption of each Class E Note on the immediately succeeding Notes Payment Date shall not exceed its Principal Amount Outstanding less the Class E Principal Shortfall on such Notes Payment Date. The Class E Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Class E Notes after the date on which the Issuer no longer holds any Mortgage Receivables and there is no balance standing to the credit of the Issuer Transaction Accounts and the Issuer has no further rights under or in connection with any of the Transaction Documents.

The Class F Noteholders shall have no further claim against the Issuer for the Principal Amount

Outstanding on the Class F Notes after the date on which the Issuer no longer holds any Mortgage Receivables and there is no balance standing to the credit of the Issuer Transaction Accounts and the Issuer has no further rights under or in connection with any of the Transaction Documents.

10. Events of Default

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

- (a) default is made for a period of 7 days in the payment of the principal of, or default is made for a period of 14 days in the payment of interest on, the Notes of the Relevant Class when and as the same ought to be paid in accordance with these Conditions; or
- (b) the Issuer fails to perform any of its other obligations binding on it under the Notes of the Relevant Class, the Trust Deed, the Paying Agency Agreement or the Pledge Agreements and, except where such failure, in the reasonable opinion of the Security Trustee, is incapable of remedy, such default continues for a period of 30 days after written notice by the Security Trustee to the Issuer requiring the same to be remedied; or
- (c) if a conservatory attachment ("*conservatoir beslag*") or an executory attachment ("*executoriaal beslag*") on any major part of the Issuer's assets is made and not discharged or released within a period of 30 days; or
- (d) if any order shall be made by any competent court or other authority or a resolution passed for the dissolution or liquidation of the Issuer or for the appointment of a liquidator or receiver of the Issuer or of all or substantially all of its assets; or
- (e) the Issuer makes an assignment for the benefit of, or enters into any general assignment ("*akkoord*") with, its creditors; or
- (f) the Issuer files a petition for a (preliminary) suspension of payments ("*voorlopige surseance van betaling*") or for bankruptcy ("*faillissement*") or has been declared bankrupt,

provided that, if more than one Class of Notes is outstanding, no Enforcement Notice may or shall be given by the Security Trustee to the Issuer in respect of any Class of Notes ranking junior to the Relevant Class regardless of whether an Extraordinary Resolution is passed by the holder of such Class or Classes of Notes ranking junior to the Relevant Class, unless an Enforcement Notice in respect of the Relevant Class has been given by the Security Trustee. In exercising its discretion as to whether or not to give an Enforcement Notice to the Issuer in respect of the Relevant Class, the Security Trustee shall not be required to have regard to the interests of the holders of any Class of Notes ranking junior to the Relevant Class.

11. Enforcement, Limited Recourse and Non-Petition

- (a) At any time after the obligations under the Notes of any Class become due and payable, the Security Trustee may, at its discretion and without further notice, take such steps and/or institute such proceedings as it may think fit to enforce the terms of the Trust Deed, the Pledge Agreements and the Notes, but it need not take any such proceedings unless (i) it shall have been directed by an Extraordinary Resolution of the holders of the Relevant Class and (ii) it shall have been indemnified to its satisfaction.
- (b) Notwithstanding Condition 11(a) above, if the obligations under the Notes have become due and

payable pursuant to Condition 10 otherwise than by reason of a default in payment of any amount due pursuant to the obligations under the Class A Notes, the Security Trustee will not be entitled to dispose of the assets pledged to it on the basis of the Pledge Agreements, unless either a sufficient amount would be realised to allow discharge in full of, all amounts owing to the Class A Noteholders or if the Security Trustee is of the opinion, reached after considering the advice of a financial adviser selected by the Security Trustee for the purpose of giving such advice, that the cash flow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other relevant actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts owing to the Class A Noteholders in accordance with the Priority of Payments as set out in the Trust Deed.

- (c) In the event that the Security in respect of the Notes and the Coupons appertaining thereto has been fully enforced and the proceeds of such enforcement, after payment of all other claims ranking under the Trust Deed in priority to a Class of Notes are insufficient to pay in full all principal and interest and other amounts whatsoever due in respect of such Class of Notes, the Noteholders of the relevant Class of Notes shall have no further claim against the Issuer or the Security Trustee in respect of any such unpaid amounts.
- (d) The Noteholders may not proceed directly against the Issuer unless the Security Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.
- (e) The Noteholders and the Security Trustee may not institute against, or join any person in instituting against, the Issuer any bankruptcy, reorganisation, arrangement, insolvency or liquidation proceeding until the expiry of a period of at least one year after the latest maturing Note has been paid in full. The Noteholders accept and agree that, the only remedy against the Issuer after any of the Notes have become due and payable pursuant to Condition 10 above is to enforce the Security.

12. Indemnification of the Security Trustee

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

13. Notices

With the exception of the publications of the Reference Agent or Paying Agent in Condition 4 and of the Issuer in Condition 6, all notices to the Noteholders will only be valid if published in at least one daily newspaper of wide circulation in the Netherlands, or, if all such newspapers shall cease to be published or timely publication therein shall not be practicable, in such newspaper as the Security Trustee shall approve having a general circulation in Europe and, as long as the Notes, other than the Class F Notes, are listed on Euronext Amsterdam, any notice will also be made to Euronext Amsterdam. Any such notice shall be deemed to have been given on the first date of such publication.

14. Meetings of Noteholders; Modification; Consents; Waiver

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

(a) Meeting of Noteholders

A meeting of Noteholders may be convened by the Security Trustee as often as it reasonably considers desirable and shall be convened by the Security Trustee at the written request of (i) the Issuer or (ii) by Noteholders of a Class or by Noteholders of one or more Class or Classes, as the case may be, holding not less than 10 per cent. in Principal Amount Outstanding of the Notes of such Class or of the Notes of such Classes, as the case may be.

- (b) Quorum
The quorum for an Extraordinary Resolution is two-thirds of the Principal Amount Outstanding of the Notes of the relevant Class or Classes, as the case may be, and for an Extraordinary Resolution approving a Basic Terms Change the quorum shall be at least seventy-five (75) per cent. of the Principal Amount Outstanding of the relevant Class or Classes of Notes.

If at a meeting a quorum is not present, a second meeting will be held not less than fourteen (14) nor more than thirty (30) calendar days after the first meeting. At such second meeting an Extraordinary Resolution, including an Extraordinary Resolution approving a Basic Term Change, can be adopted regardless of the quorum represented at such meeting.

- (c) Extraordinary Resolution
A Meeting shall have power, exercisable only by Extraordinary Resolution, without prejudice to any other powers conferred on it or any other person:
- a. to approve any proposal for any modification of any provisions of the Trust Deed, the Conditions, the Notes or any other Transaction Document or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes;
 - b. to waive any breach or authorise any proposed breach by the Issuer of its obligations under or in respect of the Trust Deed or the Notes or any act or omission which might otherwise constitute an Event of Default under the Notes;
 - c. to authorise the Security Trustee (subject to it being indemnified and/or secured to its satisfaction) or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;
 - d. to discharge or exonerate the Security Trustee from any liability in respect of any act or omission for which it may become responsible under the Trust Deed or the Notes;
 - e. to give any other authorisation or approval which under this Issuer Trust Deed or the Notes is required to be given by Extraordinary Resolution; and
 - f. to appoint any persons as a committee to represent the interests of Noteholders and to confer upon such committee any powers which Noteholders could themselves exercise by Extraordinary Resolution.

- (d) Limitations
An Extraordinary Resolution passed at any Meeting of the Most Senior Class shall be binding upon all Noteholders of a Class other than the Most Senior Class irrespective of the effect upon them, except that an Extraordinary Resolution approving a Basic Terms Change shall not be effective for any purpose unless it shall have been approved by Extraordinary Resolutions of Noteholders of each such Class or unless and to the extent that it shall not, in the sole opinion of the Security Trustee, be materially prejudicial to the interests of Noteholders of each such Class.

A resolution of Noteholders of a Class or by Noteholders of one or more Class or Classes, as the case may be, shall not be effective for any purpose unless either: (i) the Security Trustee is of the opinion that it would not be materially prejudicial to the interests of Noteholders of any Higher Ranking Class or (ii) when it is approved by Extraordinary Resolutions of Noteholders of each such Higher Ranking Class. "**Higher Ranking Class**" means, in relation to any Class of Notes, each Class of Notes which has not been previously redeemed or written off in full and which ranks higher in priority to it in the Revenue Priority of Payments.

- (e) Modifications by the Security Trustee
The Security Trustee may agree, without the consent of the Noteholders, to (i) any modification of any of the provisions of the Transaction Documents which is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Transaction Documents, and any consent, including to the transfer of the rights and obligations under a Transaction Document by the relevant counterparty to a successor, which is in the opinion of the Security Trustee not materially prejudicial to the interests of the Noteholders, provided that the Security Trustee has received Credit Rating Agency Confirmation. Any such modification, authorisation, waiver or consent shall be binding on the Noteholders and, if the Security Trustee so requires, such modification, authorisation, waiver or consent shall be notified to the Noteholders in

accordance with Condition 13 as soon as practicable thereafter.

(f) Exercise of Security Trustee's functions

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

"Basic Terms Change" means, in respect of Notes of one or more Class or Classes, as the case may be, a change (i) of the date of maturity of the relevant Notes, (ii) which would have the effect of postponing any day for payment of interest in respect of the relevant Notes, (iii) of the amount of principal payable in respect of the relevant Notes, (iv) of the rate of interest applicable in respect of the relevant Notes, (v) of the Revenue Priority of Payments, the Redemption Priority of Payments or the Priority of Payments upon Enforcement or (vi) of the quorum or majority required to pass an Extraordinary Resolution.

"Extraordinary Resolution" means a resolution passed at a Meeting duly convened and held by the Noteholders of one or more Class or Classes, as the case may be, by a majority of not less than two-thirds of the validly cast votes, except that in case of an Extraordinary Resolution approving a Basic Terms Change the majority required shall be at least seventy-five (75) per cent. of the validly cast votes.

15. Replacements of Notes and Coupons

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

16. Governing Law and Jurisdiction

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

4.2 FORM

Each Class of Notes shall be initially represented by a Temporary Global Note in bearer form, without coupons, (i) in the case of the Class A1 Notes in the principal amount of EUR 135,000,000, (ii) in the case of the Class A2 Notes in the principal amount of EUR 365,000,000, (iii) in the case of the Class B Notes in the principal amount of EUR 8,000,000, (iv) in the case of the Class C Notes in the principal amount of EUR 7,000,000, (v) in the case of the Class D Notes in the principal amount of EUR 5,000,000, (vi) in the case of the Class E Notes in the principal amount of EUR 6,500,000 and (vii) in the case of the Class F Notes in the principal amount of EUR 2,700,000. Each Temporary Global Note will be deposited with a common safekeeper for Euroclear Bank S.A./N.V., as operator of the Euroclear and Clearstream, Luxembourg on or about the Closing Date. Upon deposit of each such Temporary Global Note, Euroclear and Clearstream, Luxembourg, as the case may be, will credit each purchaser of Notes represented by such Temporary Global Note with the principal amount of the relevant Class of Notes equal to the principal amount thereof for which it has purchased and paid. Interests in each Temporary Global Note will be exchangeable (provided certification of non-U.S. beneficial ownership by the Noteholders has been received) not earlier than the Exchange Date for interests in a Permanent Global Note in bearer form, without coupons, in the principal amount of the Notes of the relevant Class. On the exchange of a Temporary Global Note for a Permanent Global Note of the relevant Class of Notes, the Permanent Global Note will remain deposited with the common safekeeper.

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

The Global Notes will be transferable by delivery. Each Permanent Global Note will be exchangeable for Notes in definitive form only in the circumstances described below. Such Notes in definitive form shall be issued in denominations of EUR 100,000 and higher integral multiples of EUR 1,000 or, as the case may be, in the then Principal Amount Outstanding of the Notes on such exchange date. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note will be entitled to receive any payment made in respect of that Note in accordance with the respective rules and procedures of Euroclear or, as the case may be, Clearstream, Luxembourg. Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes, which must be made by the holder of a Global Note, for so long as such Global Note is outstanding. Each person must give a certificate as to non-U.S. beneficial ownership as of the date on which the Issuer is obliged to exchange a Temporary Global Note for a Permanent Global Note, which date shall be no earlier than the Exchange Date, in order to obtain any payment due on the Notes.

For so long as any Notes are represented by a Global Note, such Notes will be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as appropriate, in the minimum authorised denomination of EUR 100,000 and higher integral multiples of EUR 1,000. Notes in definitive form, if issued, will only be printed and issued in denominations of EUR 100,000 and integral multiples of EUR 1,000 in excess thereof up to and including EUR 199,000. No Notes in definitive form will be issued with a denomination above EUR 199,000. All such Notes will be serially numbered and will be issued in bearer form with (at the date of issue) Coupons and, if necessary, talons attached.

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

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

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

- (i) Class A1 Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Class A Notes; and
- (ii) Class A2 Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Class A Notes; and
- (iii) Class B Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Class B Notes; and
- (iv) Class C Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Class C Notes; and
- (v) Class D Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Class D Notes; and
- (vi) Class E Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Class E Notes; and
- (vii) Class F Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Class F Notes,

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

4.3 SUBSCRIPTION AND SALE

The Class A Managers have, pursuant to the Class A Notes Purchase Agreement, agreed with the Issuer, subject to certain conditions, to purchase the Class A Notes at their respective issue prices. Furthermore, the Class B, C, D, E and F Manager has, pursuant to the Junior Notes Purchase Agreement, agreed with the Issuer, subject to certain conditions, to purchase the Notes, other than the Class A Notes, at their respective issue prices. The Issuer has agreed to indemnify and reimburse the Managers against certain liabilities and expenses in connection with the issue of the Notes.

Each reference in this section *Subscription and Sale* to the "Notes" means with respect to the Class A Managers, the Class A Notes and with respect to the Class B, C, D, E and F Manager, the Subordinated Notes and the Class F Notes.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), the Managers have represented and agreed, and each further manager appointed under the transaction will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which is the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State: (i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive; (ii) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the Managers nominated by the Issuer for any such offer; or (iii) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Notes referred to in (i) to (iii) above shall require the Issuer or the Managers to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

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

United Kingdom

Each of the Managers has represented and agreed that (i) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom and (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer.

France

Each of the Managers has represented and agreed that this Prospectus or any offering material relating to the Notes have not been and will not be subject to any approval by or registration (*visa*) with the French *Autorité des Marchés Financiers*. Accordingly, each of the Managers has represented and agreed that it will represent and agree in respect of the Notes that, in connection with its initial distribution, it has not:

- (a) offered, sold or otherwise transferred and will not offer, sell or otherwise transfer directly or indirectly, any Notes to the public in the Republic of France (*offre public*); and
- (b) subject to the provisions set out below, distributed or caused to be distributed and will not distribute or cause to be distributed in the Republic of France this Prospectus or any other offering material relating to the Notes.

Such offers, sales, distributions and other transfers have been and shall only be made in the Republic of France to (i) qualified investors (*investisseurs qualifiés*) provided that such investors are acting for their own account except as otherwise stated under French laws and regulations and/or to a restricted circle of investors (*cercle restreint d'investisseurs*) acting for their own account and/or persons providing portfolio management services on a discretionary basis (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*), all as defined in and in accordance with articles L. 411-2 and D. 411-1 to D. 411-4, D. 734-1, D. 744-1, D. 754-1 and D. 764-1 of the French Monetary and Financial Code and any implementing regulation and/or (ii) to non-resident investors (*investisseurs non-résidents*).

This Prospectus and any offering material relating to the Notes, are not to be further distributed or reproduced (in whole or in part) by the addressee and have been distributed on the basis the addressee invests for its own account, as necessary, and does not resell or otherwise retransfer, directly or indirectly, the Notes to the public in the Republic of France, other than in compliance with articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the French Monetary and Financial Code. Persons in to whose possession this offering material comes must inform themselves about and observe any such restrictions.

Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Offering Circular or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and Article 34-ter, first paragraph, letter (b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time ("**Regulation No. 11971**"); or
- (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No. 11971.

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

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the "**Banking Act**"); and
- (b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and
- (c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act. The Notes are in bearer form and are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to, or for the account or benefit of, a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

Each Manager has agreed that it will not offer, sell or deliver the Notes (i) as part of their distribution at any time or (ii) otherwise until forty (40) days after the later of the commencement of the offering or the Closing Date within the United States or to, or for the account or benefit of, U.S. persons and it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration to which it sells Notes during the distribution compliance period (as defined in Regulation S) a confirmation or other notice setting

forth the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meaning given to them by Regulations under the Securities Act.

In addition, until forty (40) days after the commencement of the offering, an offer or sale of the Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act, if such offer or sale is made otherwise than in accordance with available exemption from registration under the Securities Act.

General

The distribution of this Prospectus and the offering and sale of the Notes in certain jurisdictions may be restricted by law; persons into whose possession this Prospectus comes are required by the Issuer to inform themselves about and to observe any such restrictions. This Prospectus or any part thereof does not constitute an offer, or an invitation to sell or a solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.

The Managers have undertaken not to offer or sell directly or indirectly any Notes, or to distribute or publish this Prospectus or any other material relating to the Notes in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

Capital Requirements Directive

NIBC and each of the Sellers undertake that it shall, or undertakes that any entity designated by NIBC as allowed under paragraph 2 of article 122a of the Capital Requirements Directive shall at all times comply with Dutch Regulation Securitisations of 26 October 2010 (*Regeling securitisaties Wft 2010*) implementing, inter alia, Article 122a of the Capital Requirements Directive.

4.4 REGULATORY AND INDUSTRY COMPLIANCE

Retention and disclosure requirements under the Capital Requirements Directive

In respect of the issue of the Notes, NIBC and with respect to each Seller, in its capacity as allowed entity under paragraph 2 of article 122a of the Capital Requirements Directive, shall, or undertakes that any entity designated by NIBC as allowed entity under paragraph 2 of article 122a of the Capital Requirements Directive shall, retain, on an ongoing basis, a material net economic interest which, in any event, shall not be less than 5%. At the date of this Prospectus such interest is retained in accordance with item (d) of article 122a paragraph 1 of the Capital Requirements Directive, by holding a part of the most junior Classes of Notes and, if necessary, other tranches of Notes having the same or a more severe risk profile than those transferred or sold to investors and not maturing any earlier than those transferred or sold to investors, so that the retention equals in total no less than 5 % of the nominal value of the Notes issued under this Prospectus.

In addition, each Seller shall (i) adhere to the requirements set out in paragraph 6 of article 122a of the Capital Requirements Directive and (ii) make appropriate ongoing disclosures to Noteholders about the retained net economic interest in the Programme and ensure that the Noteholders have readily available access to all materially relevant data as required under paragraph 7 of article 122a of the Capital Requirements Directive.

In the Notes Purchase Agreements, NIBC Bank N.V. and each Seller shall undertake to the relevant Managers and the Issuer that it shall comply with Dutch Regulation Securitisations of 26 October 2010 ("*Regeling securitisaties Wft 2010*") implementing *inter alia* article 122a of the Capital Requirements Directive.

NIBC and the Sellers accept responsibility for the information set out in this *Regulatory and Industry Compliance* section.

Credit ratings

It is a condition precedent to issuance that the Class A Notes, on issue, be assigned a 'AAA' sf rating by Fitch and a 'Aaa (sf)' rating by Moody's, the Class B Notes, on issue, be assigned a 'AA+' sf rating by Fitch and a 'Aa1 (sf)' rating by Moody's, the Class C Notes, on issue, be assigned a 'A+' sf rating by Fitch and a 'Aa3 (sf)' rating by Moody's, the Class D Notes, on issue, be assigned a 'BBB+' sf rating by Fitch and a 'A2 (sf)' rating by Moody's and the Class E Notes, on issue, be assigned a 'B' sf rating by Fitch and a 'Ba1 (sf)' rating by Moody's. Credit ratings included or referred to in this Prospectus have been issued by Fitch and Moody's, each of which is established in the European Union and is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on Credit Rating Agencies. The Class F Notes will not be assigned a rating.

Dutch Securitisation Standard

This Prospectus is drafted with a view to the new standard for a prospectus for the issuance of Dutch residential mortgage backed securities (such as the Notes) (the "**Dutch Securitisation Standard**"), which standard is expected to become operational shortly after the issuance of the Notes (and therefore not applicable to this Prospectus). The Prospectus follows the draft Dutch Securitisation Standard in respect of the table of content in full, and in most respects follows the definitions of the Dutch Securitisation Standard. However, in this Prospectus deviations from the Dutch Securitisation Standard are not indicated in the list of definitions, *inter alia*, because the Dutch Securitisation Standard is only available in draft format at the time of application for approval of this Prospectus.

4.5 USE OF PROCEEDS

The aggregate net proceeds of the Notes to be issued on the Closing Date amount to EUR 529,200,000.

The net proceeds of the issue of the Notes, other than the Class F Notes, will be applied by the Issuer on the Closing Date to pay part of the Initial Purchase Price for the Mortgage Receivables purchased under the Mortgage Receivables Purchase Agreement and the net proceeds from the issue of the Class F Notes will be credited to the Reserve Account.

4.6 TAXATION IN THE NETHERLANDS

The following summary describes the principal Netherlands tax consequences of the acquisition, holding, redemption and disposal of Notes, which term, for the purpose of this summary, includes Coupons, Talons and Receipts. This summary does not purport to be a comprehensive description of all Netherlands tax considerations that may be relevant to a decision to acquire, to hold, and to dispose of the Notes. Each prospective Note holder should consult a professional adviser with respect to the tax consequences of an investment in the Notes. The discussion of certain Netherlands taxes set forth below is included for general information purposes only.

This summary is based on The Netherlands tax legislation, published case law, treaties, rules, regulations and similar documentation, in force as of the date of the Prospectus, without prejudice to any amendments introduced at a later date and implemented with retroactive effect. Where in this summary the terms "the Netherlands" and "Dutch" are used, these terms solely refer to the part of the Kingdom of the Netherlands that is situated in Europe.

With the exception of paragraph (a), this summary does not address the Netherlands tax consequences of:

- (a) a Noteholder holding a substantial interest ("aanmerkelijk belang") in the Issuer, within the meaning of Section 4.3 of the Dutch Income Tax Act 2001 ("Wet inkomstenbelasting 2001"). Generally speaking, a Noteholder (including both individuals and entities) holds a substantial interest in the Issuer, if such Noteholder, alone or together with his or her partner (statutory defined term) or certain other related persons, directly or indirectly, holds (i) an interest of five percent or more of the total issued capital of the Issuer or of five percent or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer;*
- (b) a Noteholder qualifying as an investment institution ("fiscale beleggingsinstellingen"); and*
- (c) a Noteholder qualifying as a pension fund, exempt investment institution ("vrijgestelde beleggingsinstellingen") or other entity that is exempt from Netherlands corporate income tax.*

Where in this summary reference is made to a "Noteholder", this includes, without limitation, an individual to whom, or an entity to which, benefits derived from Notes are attributed for Dutch tax purposes.

General

The Issuer has been advised that under the existing laws of The Netherlands:

- (a) all payments by the Issuer under the Notes can be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by The Netherlands or any political subdivision or taxing authority thereof or therein;
- (b) a Noteholder deriving income from a Note or realising a gain on the disposal or redemption of a Note will not be subject to Netherlands taxation on income or capital gains unless:
 - (i) the holder is treated as resident in The Netherlands for the purpose of the relevant provisions; or
 - (ii) such income or gain is attributable to an enterprise or part thereof which is carried on by or for the benefit of the Noteholder through a permanent establishment or a permanent representative in The Netherlands; or
 - (iii) the holder is an individual and such income or gain qualifies as income from miscellaneous activities ("*belastbaar resultaat uit overige werkzaamheden*") in The Netherlands as defined in section 3.4 of the Dutch Income Tax Act 2001;
- (c) Netherlands gift, estate or inheritance taxes will not be levied on the occasion of the transfer of a Note by way of gift by, or on the death of, a Noteholder, unless:
 - (i) the Noteholder is, or is deemed to be, a resident of The Netherlands for the purpose of the Netherlands gift and inheritance tax ("*Successiewet 1956*"); or
 - (ii) the transfer is construed as an inheritance or as a gift made by or on behalf of a person who, at the time of the gift or death, is or is deemed to be, resident in The Netherlands for the purpose of the relevant provisions;

- (d) there is no Netherlands registration tax, capital tax, customs duty, stamp duty or any other similar tax or duty other than court fees payable in The Netherlands in respect of or in connection with the execution, delivery and enforcement by legal proceedings (including any foreign judgment in the courts of The Netherlands) of the Notes or the performance of the Issuer's obligations under the Notes;
- (e) there is no Netherlands value added tax payable in respect of payments in consideration for the issue of a Note or in respect of the payment of interest or principal under the Notes or the transfer of a Note; and
- (f) a holder of a Note will not have a permanent establishment, or be deemed to have a permanent establishment, in The Netherlands by reason only of the holding of a Note or the execution, performance delivery and/or enforcement of a Note.

European Savings Directive

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

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

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

4.7 SECURITY

In the Parallel Debt Agreement the Issuer will irrevocably and unconditionally undertake to pay to the Security Trustee the "**Parallel Debt**", which is an amount equal to the aggregate amount due ("*verschuldigd*") by the Issuer (i) as fees, costs, expenses or other remuneration to the Directors under the Management Agreements, (ii) as fees and expenses to the Servicer under the Servicing Agreement, (iii) as fees and expenses to the Issuer Administrator under the Administration Agreement, (iv) as fees and expenses to the Paying Agent and the Reference Agent under the Paying Agency Agreement, (v) to the Cash Advance Facility Provider under the Cash Advance Facility Agreement, (vi) to the Swap Counterparty under the Swap Agreement, (vii) to the Noteholders under the Notes and (viii) to each Seller under the Mortgage Receivables Purchase Agreement. The Parallel Debt constitutes a separate and independent obligation of the Issuer and constitutes the Security Trustee's own separate and independent claim ("*eigen en zelfstandige vordering*") to receive payment of the Parallel Debt from the Issuer. Upon receipt by the Security Trustee of any amount in payment of the Parallel Debt, the payment obligations of the Issuer to the Secured Creditors shall be reduced by an amount equal to the amount so received and vice versa.

To the extent that the Security Trustee irrevocably and unconditionally receives any amount in payment of the Parallel Debt, the Security Trustee shall distribute such amount among the Secured Creditors in accordance with the Post-Enforcement Priority of Payments. The amounts due to the Secured Creditors will, broadly, be equal to amounts recovered ("*verhaald*") by the Security Trustee on the Mortgage Receivables and other assets pledged to the Security Trustee under the Issuer Mortgage Receivables Pledge Agreement, the Deed of Assignment and Pledge and the Issuer Rights Pledge Agreement.

The Issuer will vest a right of pledge in favour of the Security Trustee on the Mortgage Receivables and the Beneficiary Rights on the Closing Date pursuant to the Issuer Mortgage Receivables Purchase Agreement and the Deed of Assignment and Pledge and in respect of any New Mortgage Receivables undertakes to grant a first ranking right of pledge on the relevant New Mortgage Receivables and the Beneficiary Rights relating thereto on the Notes Payment Date on which they are acquired, which will secure the payment obligations of the Issuer to the Security Trustee under the Parallel Debt Agreement and any other Transaction Documents. The pledge on the Mortgage Receivables and the Beneficiary Rights relating thereto will not be notified to the Borrowers and the Insurance Companies, respectively, except upon the occurrence of certain notification events, which are similar to the Assignment Notification Events but relating to the Issuer, including the issuing of an Enforcement Notice by the Security Trustee (the "**Pledge Notification Events**"). Prior to notification of the pledge to the Borrowers or the Insurance Companies, the pledge will be a "silent" right of pledge ("*stil pandrecht*") within the meaning of article 3:239 of the Netherlands Civil Code.

In addition, a right of pledge will be vested by the Issuer in favour of the Security Trustee on the Closing Date pursuant to the Issuer Rights Pledge Agreement over all rights of the Issuer (a) under or in connection with (i) the Mortgage Receivables Purchase Agreement, (ii) the Cash Advance Facility Agreement, (iii) the Servicing Agreement, (iv) the Swap Agreement and (v) the Issuer Account Agreement and (b) in respect of the Issuer Accounts. This right of pledge will be notified to the relevant obligors and will, therefore, be a disclosed right of pledge ("*openbaar pandrecht*"), but the Security Trustee will grant a power to collect to the Issuer which will be withdrawn upon the occurrence of any of the Pledge Notification Events.

From the occurrence of a Pledge Notification Event and, consequently notification to the Borrowers and the Insurance Companies and withdrawal of the power to collect, the Security Trustee will collect ("*innen*") all amounts due to the Issuer whether by the Borrowers, the Insurance Companies or any other parties to the Transaction Documents. Pursuant to the Trust Deed, the Security Trustee will, until the delivery of an Enforcement Notice for the sole purpose of enabling the Issuer to make payments in accordance with the relevant Priority of Payments, pay or procure the payment of certain amounts to the Issuer, whilst for that sole purpose terminating ("*opzeggen*") its right of pledge.

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

The security rights described above shall serve as security for the benefit of the Secured Creditors, including each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D

Noteholder, the Class E Noteholders and the Class F Noteholders but amounts owing to the Class B Noteholders will rank in priority of payment after amounts owing to the Class A Noteholders, amounts owing to the Class C Noteholders will rank in priority of payment after amounts owing to the Class A Noteholders and the Class B Noteholders, amounts owing to the Class D Noteholders will rank in priority of payment after amounts owing to the Class A Noteholders, the Class B Noteholders and the Class C Noteholders, amounts owing to the Class E Noteholders will rank in priority of payment after amounts owing to the Class A Noteholders, the Class B Noteholders, the Class C Noteholders and the Class D Noteholders and amounts owing to the Class F Noteholders will rank in priority of payment after amounts owing to the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders (see *Credit Structure* below). The Class A Notes comprise of the Class A1 Notes and the Class A2 Notes and the Class A1 Notes and the Class A2 Notes rank *pari passu* and *pro rata* without any preference or priority among all Notes of such Class in respect of the Security and payments of interest. Provided that no Enforcement Notice has been given, payments of principal on the Class A Notes are applied firstly to the Class A1 Notes and then to the Class A2 Notes. To the extent that the Available Principal Redemption Funds are insufficient to redeem the Class A1 Notes and/or the Class A2 Notes in full when due in accordance with the Conditions for a period of fifteen days or more, this will constitute an Event of Default in accordance with Condition 10(a). The Class A2 Notes do not therefore purport to provide credit enhancement to the Class A1 Notes. If, on any date, the Security is to be enforced and the proceeds of the enforcement would be insufficient to fully redeem the Class A Notes in full, such loss will be borne, *pro rata* and *pari passu*, by the holders of the Class A Notes. If the Class A1 Notes have been redeemed (in part or in full) at such time, this will result in the Class A2 Notes bearing a greater loss than that borne by the Class A1 Notes.

Pursuant to the collection foundation pledge agreements (including any future collection foundation pledge agreements entered into in replacement of such agreement or, the "**Collection Foundation Pledge Agreements**"), the Collection Foundation shall grant a first ranking right of pledge on the balance standing to the credit of the Collection Foundation Account in favour of the Issuer and the Previous Transaction SPVs jointly, and the Issuer and the Previous Transaction SPVs by way of repledge create a first right of pledge in favour of, *inter alia*, the Security Trustee and the Previous Transaction Security Trustees jointly each subject to the agreement that future issuers (and any security trustees) in securitisations and future vehicles in conduit transactions or similar transactions (and any security trustees relating thereto) initiated by NIBC will also have the benefit of a right of pledge and agree to cooperate to facilitate such security. Such rights of pledge will be notified to the bank where the Collection Foundation Account is maintained.

Since the Previous Transaction Security Trustees (and certain Previous Transaction SPVs, as the case may be) and the Security Trustee have a first ranking right of pledge on the amounts standing to the credit of the Collection Foundation Account, the rules applicable to co-ownership ("*gemeenschap*") apply. The Netherlands Civil Code provides for various mandatory rules applying to such co-owned rights. In principle co-owners are required to co-operate with regard to their co-owned goods, but according to section 3:168 of the Netherlands Civil Code it is possible for co-owners to make an arrangement for the management ("*beheer*") of the co-owned goods by one or more of the co-owning parties.

The Previous Transaction SPVs, the Issuer, the Security Trustee and the Previous Transaction Security Trustees will further in the Collection Foundation Account Pledge Agreements agree that the Security Trustee and the Previous Transaction Security Trustees (and certain Previous Transaction SPVs, as the case may be) will manage ("*beheren*") such co-held rights jointly. The Issuer has been advised that it is uncertain whether the foreclosure of the rights of pledge will constitute management for the purpose of section 3:168 of the Netherlands Civil Code and as a consequence the cooperation of the Previous Transaction SPVs and the Issuer may be required for such foreclosure to take place.

Furthermore, such parties will agree in the Collection Foundation Account Pledge Agreements that (i) the share ("*aandee*") in each co-held right of pledge will be equal to the amounts collected from the respective mortgage receivables purchased by each Previous Transaction SPV and the amounts collected from the Mortgage Receivables, respectively, and (ii) in case of foreclosure of the right of pledge on the Collection Foundation Account the proceeds will be divided according to each share. It is uncertain whether this sharing arrangement is enforceable in the event that the Issuer, the Security Trustee, the Previous Transaction SPVs and the Previous Transaction Security Trustees should become insolvent. However, the Issuer has been advised that the insolvency of the Collection Foundation would not affect this arrangement.

In this respect it will be agreed that in case of a breach by a party of its obligations under the abovementioned agreements or if such agreement is dissolved, void, nullified or ineffective for any reason in respect of such party, such party shall compensate the other parties forthwith for any and all loss, costs, claim, damage and expense whatsoever which such party incurs as a result hereof.

5. CREDIT STRUCTURE

The structure of the credit arrangements for the proposed issue of the Notes may be summarised as set out below.

5.1 AVAILABLE FUNDS

Available Revenue Funds

Prior to the delivery of an Enforcement Notice by the Security Trustee, the sum of the following amounts, calculated on each Notes Calculation Date (being the third Business Day prior to each Notes Payment Date) as being received during or in respect of the Notes Calculation Period (as defined in Condition 6) preceding such Notes Calculation Date (items under (i) up to and including (xi) less (xii) hereafter being referred to as the "**Available Revenue Funds**"):

- (i) as interest, including penalty interest, on the Mortgage Receivables received by the Issuer on or prior to such Notes Calculation Date and paid by the Borrowers during such Notes Calculation Period, including, in respect of interest, any amounts paid by the Borrowers on the first, second and third Business Day following such Notes Calculation Period (and, for the avoidance of doubt, including in respect of the first Notes Calculation Period the amounts received as Pre-Closing Proceeds to the extent not relating to principal), but excluding any such amounts received by the Sellers and/or the Collection Foundation during such Notes Calculation Period and already included in the Available Revenue Funds calculated on the Notes Calculation Date immediately preceding such Notes Calculation Date;
- (ii) as interest accrued on the Issuer Accounts, other than the Swap Collateral Account;
- (iii) as Prepayment Penalties under the Mortgage Receivables;
- (iv) as Net Foreclosure Proceeds on any Mortgage Receivables, to the extent such proceeds do not relate to principal;
- (v) as amounts to be drawn under the Cash Advance Facility whether or not from the Cash Advance Facility Stand-by Account (other than Cash Advance Facility Stand-by Drawings) on the immediately succeeding Notes Payment Date;
- (vi) as amounts to be received from the Swap Counterparty under the Swap Agreement, on the immediately succeeding Notes Payment Date, excluding for the avoidance of doubt, any collateral provided by the Swap Counterparty pursuant to the Swap Agreement (for the avoidance of doubt, unless such collateral is available for inclusion in the Available Revenue Funds in accordance with the Trust Deed in connection with the termination of the Swap Agreement) and excluding any upfront payment by a replacement swap counterparty which is to be applied towards a termination payment in accordance with the Trust Deed;
- (vii) as amounts received in connection with a repurchase of Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement or any other amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts do not relate to principal;
- (viii) as amounts received in connection with a sale of Mortgage Receivables pursuant to the Trust Deed to the extent such amounts do not relate to principal less to the extent such amounts relate to principal, but only such part that is in excess of the relevant Outstanding Principal Amount of the relevant Mortgage Receivable;
- (ix) as amounts received as post-foreclosure proceeds on the Mortgage Receivables;
- (x) (a) as amounts to be drawn from the Reserve Account and (b) any amounts to the extent relating to interest debited to the Interest Reconciliation Ledger and released from the Issuer Collection Account on the immediately succeeding Notes Payment Date;

- (xi) any amounts standing to the credit of any of the Issuer Accounts, other than the Swap Collateral Account, after all amounts of interest and principal due in respect of the Notes, other than principal in respect of the Class F Notes, have been paid in full;

less

- (xii) (a) on the first Notes Payment Date of each year, an amount equal to 10 per cent. of the Issuer's annual operational expenses of the immediately preceding calendar year in accordance with item (a) of the Revenue Priority of Payments, but only to the extent the amount of such expenses is not directly related to the Issuer's assets and/or liabilities increased with an amount equal to 10 per cent. of the Issuer's equity and (b) any part of the Available Revenue Funds required to be credited to the Interest Reconciliation Ledger on the immediately succeeding Notes Payment Date in accordance with the Administration Agreement,

will be applied in accordance with the Revenue Priority of Payments.

Available Principal Funds

Prior to the delivery of an Enforcement Notice by the Security Trustee, the sum of the following amounts (as also defined in Condition 6(c)) calculated on any Notes Calculation Date as being received during (or in respect of) the Notes Calculation Period preceding such Notes Calculation Date (items under (i) up to and including (vi) less (vii) hereinafter being referred to as the "**Available Principal Funds**"):

- (i) as repayment and prepayment of principal under the Mortgage Receivables received by the Issuer on or prior to such Notes Calculation Date and paid by the Borrower during such Notes Calculation Period, including, in respect of principal, any amounts paid on the first, second and third Business Day following such Notes Calculation Period (and, for the avoidance of doubt, including in respect of the first Notes Calculation Period the amounts received as Pre-Closing Proceeds to the extent relating to principal), but excluding any such amounts received by the Sellers and/or the Collection Foundation during such Notes Calculation Period and already included in the Available Principal Funds calculated on the Notes Calculation Date immediately preceding such Notes Calculation Date, excluding Prepayment Penalties;
- (ii) as Net Principal Proceeds on any Mortgage Receivable;
- (iii) as amounts received in connection with a repurchase of Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement and any other amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal;
- (iv) as amounts received in connection with a sale of Mortgage Receivables pursuant to the Trust Deed to the extent such amounts relate to principal but up to the aggregate Outstanding Principal Amount of such Mortgage Receivables;
- (v) as amounts to be debited to the Principal Deficiency Ledger on the immediately succeeding Notes Payment Date in accordance with the Administration Agreement; and
- (vi) (a) any part of the Available Principal Funds calculated on the immediately preceding Notes Calculation Date, which has not been applied towards redemption of the Notes on the immediately preceding Notes Payment Date, (b) any amount to the extent relating to principal to be drawn from Principal Reconciliation Ledger on the immediately succeeding Notes Payment Date and in respect of the first Notes Payment Date following the Closing Date only (c) an amount equal to the difference between (a) the Principal Outstanding Amount of the Notes on the Closing Date, other than the Class F Notes, and (b) the Initial Purchase Price of the Mortgage Receivables purchased on the Closing Date;

less:

- (vii) (a) the Substitution Available Amount, if and to the extent such amount will be actually applied to the purchase of New Mortgage Receivables on the next succeeding Notes Payment Date (b) any

part of the Available Principal Funds required to be credited to the Principal Reconciliation Ledger on the immediately succeeding Notes Payment Date in accordance with the Administration Agreement,

will be applied in accordance with the Redemption Priority of Payments.

Cash Collection Arrangements

Payments by the Borrowers under the Mortgage Loans are due on the first day of each month, interest being payable in arrear. All payments made by the Borrowers in respect of the Mortgage Receivables sold by the Sellers will be paid into the Collection Foundation Account maintained by the Collection Foundation with the Foundation Accounts Provider. The Collection Foundation Account is also used for the collection of moneys paid in respect of mortgage loans other than the Mortgage Loans and in respect of other moneys to which the Sellers are entitled vis-à-vis Collection Foundation.

If at any time the unsecured, unsubordinated and unguaranteed debt obligations of ABN AMRO Bank N.V. (or a successor bank where the Collection Foundation Account is held) is assigned a rating of less than the Requisite Credit Rating the Collection Foundation will as soon as reasonably possible, but at least within 30 days either (i) transfer the Collection Foundation Account to an alternative bank with at least the Requisite Credit Rating or (ii) ensure that payments to be made in respect of amounts received on the Collection Foundation Account relating to Mortgage Receivables will be guaranteed, a copy of which guarantee shall in advance be submitted for approval to the Credit Rating Agencies and shall otherwise meet the relevant Credit Rating Agency requirements, where applicable, by a party having at least the Requisite Credit Rating and provided that such guarantee does not have an adverse effect on the then current ratings assigned to the Notes, other than the Class F Notes, or (iii) implement any other actions agreed at that time with Moody's or Fitch.

All reasonable costs and expenses, if any, incurred by the Collection Foundation relating to the transfer of the Collection Foundation Account resulting from a downgrading below the Requisite Credit Ratings, shall be borne by the relevant bank where the Collection Foundation Account is held and such bank shall reimburse the Collection Foundation for such costs and expenses immediately after it will have received a written statement from the Collection Foundation, detailing such costs and expenses.

On each Mortgage Collection Payment Date all amounts of principal, interest (including penalty interest) and Prepayment Penalties received during the immediately preceding Mortgage Calculation Period in respect of the Mortgage Loans will be transferred to the Issuer Collection Account by the Collection Foundation in accordance with the Receivables Proceeds Distribution Agreement. Each of the Sellers (or the Servicer (or its sub-agent) on its behalf in accordance with the Servicing Agreement) has the obligation to transfer (or procure the transfer of) such amounts.

On each Mortgage Collection Payment Date the relevant Seller shall procure that all amounts of principal, interest and Prepayment Penalties received by the Collection Foundation in respect of the Mortgage Receivables (or by or on behalf of the relevant Seller) during the immediately preceding Mortgage Calculation Period will be transferred to the Issuer Collection Account held by the Issuer.

Calculations

The Issuer Administrator will calculate the amounts available to the Issuer on the basis of information received by it, including but not limited to the Mortgage Reports provided by the Servicer for each Mortgage Calculation Period.

In case the Issuer Administrator does not receive a Mortgage Report from the Servicer with respect to a Mortgage Calculation Period, then the Issuer and the Issuer Administrator on its behalf may use the three most recent Mortgage Reports for the purposes of the calculation of the amounts available to the Issuer to make payments, as further set out in the Administration Agreement. When the Issuer Administrator receives the Mortgage Reports relating to the Mortgage Calculation Period for which such calculations have been made, it will make reconciliation calculations and reconciliation payments by drawing amounts from the Reconciliation Ledger as set out in the Administration Agreement. Any (i) calculations properly done on the basis of such estimates in accordance with the Administration Agreement, and (ii) payments made and not made under any of the Notes and Transaction Documents in accordance with such calculations and (iii) reconciliation calculations and reconciliation payments made or payments not made as a result of such

reconciliation calculations, each in accordance with the Administration Agreement, shall be deemed to be done, made or not made in accordance with the provisions of the Transaction Documents and will in itself not lead to an Event of Default or any other default under any of the Transaction Documents or breach of any triggers included therein (including but not limited to Assignment Notification Events).

5.2 PRIORITY OF PAYMENTS

Priority of Payments in respect of interest

Prior to the delivery of an Enforcement Notice by the Security Trustee, the Available Revenue Funds will pursuant to the terms of the Trust Deed be applied by the Issuer on the immediately succeeding Notes Payment Date as follows (in each case only if and to the extent that payments of a higher order of priority have been made in full) (the "**Revenue Priority of Payments**"):

- (a) *first*, in or towards satisfaction, *pari passu* and *pro rata*, according to the respective amounts thereof, of (i) the fees, costs, expenses or other remuneration due and payable to the Directors in connection with the Management Agreements, (ii) any costs, charges, liabilities and expenses incurred by the Security Trustee under or in connection with any of the Transaction Documents (as defined in the Conditions), (iii) the fees and expenses due and payable to the Servicer under the Servicing Agreement, (iv) the fees and expenses due and payable to the Issuer Administrator under the Administration Agreement, (v) the Cash Advance Facility Commitment Fee to the Cash Advance Facility Provider under the Cash Advance Facility Agreement and (vi) fees and expenses due to the Issuer Account Bank under the Issuer Account Agreement;
- (b) *second*, in or towards satisfaction, *pari passu* and *pro rata*, according to the respective amounts thereof, of (i) any amounts due and payable to third parties under obligations incurred in the Issuer's business (other than under the Transaction Documents), including, without limitation, in or towards satisfaction of sums due or provisions for any payment of the Issuer's liability, if any, to tax (to the extent such amounts cannot be paid out of item (xii) under (a) of the Available Revenue Funds) and the fees and expenses of the Credit Rating Agencies and any legal advisor, auditor and accountant, appointed by the Issuer or the Security Trustee and (ii) fees and expenses due to the Paying Agent and the Reference Agent under the Paying Agency Agreement;
- (c) *third*, in or towards satisfaction, *pari passu* and *pro rata*, according to the respective amounts thereof, of (i) any amounts due and payable to the Cash Advance Facility Provider under the Cash Advance Facility Agreement or, following a Cash Advance Facility Stand-by Drawing in or towards satisfaction of sums to be credited to the Cash Advance Facility Stand-by Account, but excluding the Cash Advance Facility Commitment Fee payable under sub-paragraph (a) above and any gross-up amounts or additional amounts due under the Cash Advance Facility Agreement payable under sub-paragraph (r) below and (ii) to replenish the Reserve Account up to the amount of the Reserve Account Cash Advance Drawing made on the previous Notes Payment Date;
- (d) *fourth*, in or towards satisfaction of amounts, if any, due but unpaid under the Swap Agreement (except for any Swap Counterparty Subordinated Payment and any Excess Swap Collateral and any Tax Credit);
- (e) *fifth*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of interest due on the Class A1 Notes and the Class A2 Notes;
- (f) *sixth*, in or towards satisfaction, of sums to be credited to the Class A Principal Deficiency Ledger until the debit balance, if any, on the Class A Principal Deficiency Ledger is reduced to zero;
- (g) *seventh*, in or towards satisfaction of interest due or accrued due but unpaid on the Class B Notes;
- (h) *eighth*, in or towards satisfaction of sums to be credited to the Class B Principal Deficiency Ledger until the debit balance, if any, on the Class B Principal Deficiency Ledger is reduced to zero;
- (i) *ninth*, in or towards satisfaction of interest due or accrued due but unpaid on the Class C Notes;
- (j) *tenth*, in or towards satisfaction of sums to be credited to the Class C Principal Deficiency Ledger until the debit balance, if any, on the Class C Principal Deficiency Ledger is reduced to zero;
- (k) *eleventh*, in or towards satisfaction of interest due or accrued due but unpaid on the Class D Notes;

- (l) *twelfth*, in or towards satisfaction of sums to be credited to the Class D Principal Deficiency Ledger until the debit balance, if any, on the Class D Principal Deficiency Ledger is reduced to zero;
- (m) *thirteenth*, in or towards satisfaction of interest due or accrued due but unpaid on the Class E Notes;
- (n) *fourteenth*, in or towards satisfaction of sums to be credited to the Class E Principal Deficiency Ledger until the debit balance, if any, on the Class E Principal Deficiency Ledger is reduced to zero;
- (o) *fifteenth*, in or towards satisfaction of any sums required to be deposited on the Reserve Account or, as the case may be, to replenish the Reserve Account up to the amount of the Reserve Account Target Level;
- (p) *sixteenth*, in or towards satisfaction of interest due or accrued due but unpaid on the Class F Notes;
- (q) *seventeenth*, in or towards satisfaction of principal amounts due under the Class F Notes;
- (r) *eighteenth*, in or towards satisfaction of any gross-up amounts or additional amounts due, if any, to the Cash Advance Facility Provider pursuant to the Cash Advance Facility Agreement;
- (s) *nineteenth*, in or towards satisfaction of the Swap Counterparty Subordinated Payment due to the Swap Counterparty under the terms of the Swap Agreement;
- (t) *twentieth*, on the Notes Payment Date immediately following the First Optional Redemption Date and on any Optional Redemption Date thereafter as long as and to the extent that any Notes, other than the Class F Notes, are outstanding, in or towards satisfaction of principal amounts due under the Notes, other than the Class F Notes, until fully redeemed in accordance with the Conditions, by forming part of the Available Principal Funds;
- (u) *twenty-first*, in or towards satisfaction of a Deferred Purchase Price Instalment to NIBC for the benefit of the Sellers.

Priority of Payments in respect of principal

Prior to the delivery of an Enforcement Notice by the Security Trustee, the Available Principal Funds will pursuant to terms of the Trust Deed be applied by the Issuer on the immediately succeeding Notes Payment Date as follows (in each case only if and to the extent that payments of a higher order of priority have been made in full) (the "**Redemption Priority of Payments**"):

- (a) *first*, after application of the Available Revenue Funds on such Notes Payment Date, in or towards satisfaction of any amounts due and payable to the Cash Advance Facility Provider, but excluding the Cash Advance Facility Commitment Fee and any gross-up amounts or additional amounts due under the Cash Advance Facility Agreement payable under sub-paragraph (r) of the Revenue Priority of Payments;
- (b) *second*, in or towards satisfaction of principal amounts due under the Class A1 Notes on the relevant Notes Payment Date including, as the case may be, the Final Maturity Date, until fully redeemed in accordance with the Conditions and, subsequently, in or towards satisfaction of principal amounts due under the Class A2 Notes on the relevant Notes Payment Date including, as the case may be, the Final Maturity Date, until fully redeemed in accordance with the Conditions, provided that if the Pro Rata Trigger applies, in or towards satisfaction of principal amounts due under the Class A1 Notes and the Class A2 Notes on a pro rata basis on the relevant Notes Payment Date including, as the case may be, the Final Maturity Date, until fully redeemed in accordance with the Conditions;
- (c) *third*, in or towards satisfaction of principal amounts due under the Class B Notes on the relevant Notes Payment Date, including, as the case may be, the Final Maturity Date, until fully redeemed in accordance with the Conditions;

- (d) *fourth*, in or towards satisfaction of principal amounts due under the Class C Notes on the relevant Notes Payment Date, including, as the case may be, the Final Maturity Date, until fully redeemed in accordance with the Conditions;
- (e) *fifth*, in or towards satisfaction of principal amounts due under the Class D Notes on the relevant Notes Payment Date, including, as the case may be, the Final Maturity Date, until fully redeemed in accordance with the Conditions; and
- (f) *sixth*, in or towards satisfaction of principal amounts due under the Class E Notes on the relevant Notes Payment Date, including, as the case may be, the Final Maturity Date, until fully redeemed in accordance with the Conditions.

The "**Pro Rata Trigger**" means, with respect to the Redemption Priority of Payments, the trigger that applies on any moment on which an amount is recorded on the Class A Principal Deficiency Ledger.

Post-Enforcement Priority of Payments

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

- (a) *first*, in or towards satisfaction, *pari passu* and *pro rata*, according to the respective amounts thereof, of (i) the fees, costs, expenses or other remuneration due to the Directors (ii) any cost, charge, liability and expenses incurred by the Security Trustee under or in connection with any of the Transaction Documents, (iii) the fees and expenses of the Paying Agent incurred under the provisions of the Paying Agency Agreement, and (iv) the fees and expenses of the Servicer under the Servicing Agreement and (v) the fees and expenses of the Issuer Administrator under the Administration Agreement;
- (b) *second*, to (i) the Cash Advance Facility Provider, in or towards satisfaction of amounts due but unpaid under the Cash Advance Facility Agreement, excluding the amounts payable under item (p) below and (ii) the Issuer Account Bank fees and expenses due to the Issuer Account Bank under the Issuer Account Agreement;
- (c) *third*, in or towards satisfaction of amounts, if any, due but unpaid to the Swap Counterparty under the Swap Agreement (except for any Swap Counterparty Subordinated Payment and any Excess Swap Collateral and any Tax Credit);
- (d) *fourth, pro rata*, in or towards satisfaction of all amounts due but unpaid in respect of interest on the Class A1 Notes and the Class A2 Notes;
- (e) *fifth, pro rata*, in or towards satisfaction of all amounts of principal and all other amounts due but unpaid in respect of the Class A1 Notes and the Class A2 Notes;
- (f) *sixth*, in or towards satisfaction of all amounts due or accrued due but unpaid in respect of interest on the Class B Notes;
- (g) *seventh*, in or towards satisfaction of all amounts of principal and all other amounts due but unpaid in respect of the Class B Notes;
- (h) *eighth*, in or towards satisfaction of all amounts due or accrued due but unpaid in respect of interest on the Class C Notes;
- (i) *ninth*, in or towards satisfaction of all amounts of principal and all other amounts due but unpaid in respect of the Class C Notes;
- (j) *tenth*, in or towards satisfaction of all amounts due or accrued due but unpaid in respect of interest on the Class D Notes;

- (k) *eleventh*, in or towards satisfaction of all amounts of principal and all other amounts due but unpaid in respect of the Class D Notes;
- (l) *twelfth*, in or towards satisfaction of all amounts due or accrued due but unpaid in respect of interest on the Class E Notes;
- (m) *thirteenth*, in or towards satisfaction of all amounts of principal and all other amounts due but unpaid in respect of the Class E Notes;
- (n) *fourteenth*, in or towards satisfaction of all amounts due or accrued due but unpaid in respect of interest on the Class F Notes;
- (o) *fifteenth*, in or towards satisfaction of all amounts of principal and all other amounts due but unpaid in respect of the Class F Notes;
- (p) *sixteenth*, in or towards satisfaction of gross-up amounts or additional amounts due, if any, to the Cash Advance Facility Provider pursuant to the Cash Advance Facility Agreement;
- (q) *seventeenth*, in or towards satisfaction of the Swap Counterparty Subordinated Payment due to the Swap Counterparty under the terms of the Swap Agreement; and
- (r) *eighteenth*, in or towards satisfaction of a Deferred Purchase Price Instalment to NIBC for the benefit of the Sellers.

5.3 LOSS ALLOCATION

Principal Deficiency Ledger

A Principal Deficiency Ledger comprising five sub-ledgers, known as the Class A Principal Deficiency Ledger, the Class B Principal Deficiency Ledger, the Class C Principal Deficiency Ledger, the Class D Principal Deficiency Ledger and the Class E Principal Deficiency Ledger respectively, will be established by or on behalf of the Issuer in order to record any Realised Losses on the Mortgage Receivables and any Cash Advance Replenishment Amounts (each respectively the Class A Principal Deficiency, the Class B Principal Deficiency, the Class C Principal Deficiency, the Class D Principal Deficiency and the Class E Principal Deficiency and together a Principal Deficiency). The sum of any Realised Losses and any Cash Advance Replenishment Amounts shall be debited to the Class E Principal Deficiency Ledger (such debit items being recredited at item (n) of the Revenue Priority of Payments on each relevant Notes Payment Date) so long as the debit balance on such sub-ledger is less than the Principal Amount Outstanding of the Class E Notes and thereafter such amounts shall be debited to the Class D Principal Deficiency Ledger (such debit items being recredited at item (l) of the Revenue Priority of Payments on each relevant Notes Payment Date) so long as the debit balance on such sub-ledger is less than the sum of the Principal Amount Outstanding of the Class D Notes and thereafter such amounts shall be debited to the Class C Principal Deficiency Ledger (such debit items being recredited at item (j) of the Revenue Priority of Payments on each relevant Notes Payment Date) so long as the debit balance on such sub-ledger is less than the sum of the Principal Amount Outstanding of the Class C Notes and thereafter such amounts shall be debited to the Class B Principal Deficiency Ledger (such debit items being recredited at item (h) of the Revenue Priority of Payments on each relevant Notes Payment Date) so long as the debit balance on such sub-ledger is less than the sum of the Principal Amount Outstanding of the Class B Notes and thereafter such amounts shall be debited, *pro rata* according to the Principal Amount Outstanding of the Class A Notes on the Closing Date, to the Class A Principal Deficiency Ledger (such debit items being recredited at item (f) of the Revenue Priority of Payments on each relevant Notes Payment Date).

"Realised Losses" means, on any relevant Notes Calculation Date, the sum of (a) with respect to the Mortgage Receivables in respect of which the relevant Seller or the Servicer on behalf of the Issuer, the Issuer or the Security Trustee has foreclosed from the Closing Date up to and including the immediately preceding Notes Calculation Period the amount of difference between (i) the aggregate Outstanding Principal Amount of all Mortgage Receivables, and (ii) the amount of the Net Foreclosure Proceeds applied to reduce the Outstanding Principal Amount of the Mortgage Receivables; and (b), with respect to the Mortgage Receivables sold by the Issuer, the amount of the difference, if any, between (i) the aggregate Outstanding Principal Amount of such Mortgage Receivables, and (ii) the purchase price of the Mortgage Receivables sold to the extent relating to principal; and (c) with respect to the Mortgage Receivables in respect of which the Borrower has successfully asserted set-off or defence to payments, the amount by which the Mortgage Receivables have been extinguished ("*teniet gegaan*") unless, and to the extent, such amount is received from the relevant Seller.

"Cash Advance Replenishment Amounts" means, on any relevant Notes Calculation Date, the amounts applied in accordance with item (a) of the Redemption Priority of Payments on all Notes Payment Dates from the Closing Date up to and including the immediately preceding Notes Calculation Period.

5.4 HEDGING

Mortgage Loan Interest Rates

The Mortgage Loan Criteria require that all Mortgage Receivables sold and assigned to the Issuer at Closing either bear (i) a fixed rate of interest or (ii) a floating rate of interest (as further described in *Description of the Mortgage Loans* below). The Mortgage Loan Criteria permit Mortgage Receivables bearing alternative types of interest offered by the relevant Seller. The range of interest rates is described further in *Description of the Mortgage Loans*. On the Cut-Off Date, the amount of Mortgage Loans of which the first interest reset date falls before the First Optional Redemption Date is 69.4 per cent. of the aggregate Outstanding Principal Amount of all Mortgage Receivables. After an interest reset the relevant Mortgage Receivables will remain in the pool subject to the prepayment by the relevant Borrower (see also *Interest Rate Hedging*).

Interest Rate Hedging

The interest rate payable by the Issuer with respect to the Notes is calculated as a margin over Euribor. The Issuer will hedge the interest rate exposure in respect of the Notes, other than the Class F Notes, by entering into the Swap Agreement with the Swap Counterparty. The interest rate exposure in respect of the Class F Notes will not be hedged.

Under the Swap Agreement, the Issuer will agree to pay on the Notes Payment Date falling in January 2013 and on each Notes Payment Date thereafter an amount equal to:

- (i) the scheduled interest on the Mortgage Receivables due (calculated on each Notes Calculation Date as being due with respect to the Notes Calculation Period prior to such date); plus
- (ii) any Prepayment Penalties received during the immediately preceding Notes Calculation Period; plus
- (iii) the interest accrued on the Issuer Transaction Accounts with respect to the Notes Calculation Period prior to such date;

less:

- (x) an excess margin of 0.50 per cent. per annum applied to the Outstanding Principal Amount of the Mortgage Receivables as of the first day of the immediately preceding Notes Calculation Period; and
- (y) an amount equal to the expenses as described under (a) and (b) of the Revenue Priority of Payments on the first day of the relevant Interest Period plus the interest due on drawings under the Cash Advance Facility Agreement, subject to a maximum.

The Swap Counterparty will agree to pay on the Notes Payment Date falling in January 2013 and on each Notes Payment Date thereafter an amount equal to the aggregate interest due under the Notes, other than the Class F Notes, on such Notes Payment Date calculated by reference to the Interest Rate for each such Class of Notes, in each case applied to an amount equal to the Principal Amount Outstanding of the relevant Class of Notes on such date less an amount equal to the balance standing on the relevant sub-ledger of the Principal Deficiency Ledger, if any (whereby in the event of a balance on the Class A Principal Deficiency Ledger, such balance will be subdivided between the Class A1 Notes and the Class A2 Notes *pro rata* by reference to the Principal Amount Outstanding of the Class A1 Notes and the Class A2 Notes up to the Principal Amount Outstanding) on the first day of the relevant Interest Period. The interest rate exposure in respect of the Class F Notes will not be hedged.

Payments under the Swap Agreement will be netted.

The Swap Agreement will be documented under an ISDA Master Agreement. The Swap Agreement may be terminated upon the occurrence of one of certain specified Events of Default and Termination Events (each as defined therein) commonly found in standard ISDA documentation except where such Events of Default

and Termination Events (each as defined therein) are disappplied and any Additional Termination Events (as defined therein) are added. The Swap Agreement will be terminable by one party *inter alia* if (i) an applicable Event of Default or Termination Event (as defined therein) occurs in relation to the other party, (ii) it becomes unlawful for either party to perform its obligations under the Swap Agreement or (iii) an Enforcement Notice is served. Events of Default under the Swap Agreement in relation to the Issuer will be limited to (i) non-payment under the Swap Agreement and (ii) certain insolvency events.

Upon the early termination of the Swap Agreement, the Issuer or the Swap Counterparty may be liable to make a termination payment to the other party. The amount of any termination payment will be based on the market value of the Swap Agreement. The market value will be based on market quotations of the cost of entering into a transaction with the same terms and conditions and that would have the effect of preserving the respective full payment obligations of the parties (or based upon loss in the event that sufficient market quotations cannot be obtained).

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

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

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

If the unsecured, unsubordinated and unguaranteed debt obligations of the Swap Counterparty cease to have at least the Swap Required Ratings, the Swap Counterparty will be required to take certain remedial measures which may include (i) the provision of collateral for its obligations under the Swap Agreement (pursuant to the credit support annex which forms part of the Swap Agreement on the basis of the standard ISDA documentation, which stipulates certain requirements relating to the provision of collateral by the Swap Counterparty at any time after the Closing Date depending on the value at risk of the Issuer), (ii) arranging for its obligations under the Swap Agreement to be transferred to an entity having at least the Swap Required Ratings, (iii) procuring another entity with at least the Swap Required Ratings to become co-obligor in respect of its obligations under the Swap Agreement, or (iv) the taking of such other action as may be required to maintain or, as the case may be, restore the then current rating assigned to the Notes, other than the Class F Notes. Failure to take such steps, subject to certain conditions, will give the Issuer the right to terminate the Swap Agreement.

Any collateral transferred by the Swap Counterparty which is in excess of its obligations to the Issuer under the credit support annex will promptly be returned to such Swap Counterparty prior to the distribution of any amounts due by the Issuer under the Transaction Documents and outside the Priority of Payments. Interest accrued on the Swap Collateral will either be deposited on the Swap Collateral Account or paid to the Swap Counterparty in accordance with the credit support annex.

Swap termination and payment by replacement swap counterparty

If following the termination of the Swap Agreement (i) an amount is due by the Issuer to the Swap Counterparty as termination payment (including any Swap Counterparty Subordinated Payment), other than in relation to the return of Excess Swap Collateral or any other Unpaid Amount (as defined in the Swap Agreement), and (ii) the Issuer receives an upfront payment from a replacement swap counterparty in connection with the entering into a replacement swap agreement as a result of the market value of such swap agreement, then the Issuer shall apply such amounts received from that replacement swap counterparty to pay an amount equal to such termination payment (for the avoidance of doubt minus any Unpaid Amounts owed by the Issuer to the Swap Counterparty) outside the Priority of Payments and such

amount will not form part of the Available Revenue Funds.

5.5 LIQUIDITY SUPPORT

Cash Advance Facility Agreement

On the Closing Date, the Issuer will enter into the Cash Advance Facility Agreement with the Cash Advance Facility Provider. The Issuer will be entitled on any Notes Payment Date (other than (x) a Notes Payment Date if and to the extent that on such date the Notes will be redeemed in full, subject to Condition 9(b), and (y) the Final Maturity Date) to make drawings under the Cash Advance Facility Agreement up to the Cash Advance Facility Maximum Amount, subject to certain conditions. The Cash Advance Facility Agreement is for a maximum term of 364 days. The commitment of the Cash Advance Facility Provider is extendable at its option. Any drawing under the Cash Advance Facility Agreement by the Issuer may only be made on a Notes Payment Date if and to the extent that, without taking into account any drawing under the Cash Advance Facility Agreement or from the Reserve Account, there is a shortfall in the Available Revenue Funds to meet items (a) to (e) (inclusive) (each such amount the "**Permitted Cash Advance Drawing Amount**"), less any drawing from the Reserve Account made on such date for such purpose. The Cash Advance Facility Provider will rank in priority in respect of payments and security to the Notes.

If a Notes Payment Date the Permitted Cash Advance Drawing Amount is higher than zero, the Issuer shall, prior to any drawing under the Cash Advance Facility, first draw an amount equal to the Permitted Cash Advance Drawing Amount from the Reserve Account (each such amount being a "**Reserve Account Cash Advance Drawing**"). If and to the extent insufficient moneys are available on the Reserve Account for such purpose, it shall draw the remaining amount of the Permitted Cash Advance Drawing Amount under the Cash Advance Facility Agreement from the Cash Advance Facility Provider or from the Cash Advance Facility Stand-by Account.

If, at any time, (I) (a) the rating of the Cash Advance Facility Provider is below the Requisite Credit Rating or any such rating is withdrawn by Fitch or Moody's, and (b) within the Relevant Remedy Period, (i) the Cash Advance Facility Provider, is not replaced by the Issuer with a cash advance facility provider having the Requisite Credit Rating and (ii) a third party having the Requisite Credit Rating has not guaranteed the obligations of the Cash Advance Facility Provider which guarantee does not have an adverse affect on the then current ratings assigned to the Notes, other than the Class F Notes, and (iii) another solution acceptable to Fitch and Moody's is not found or (II) the Cash Advance Facility provider refuses to comply with an extension request (each a "**Cash Advance Facility Stand-by Drawing Event**"), the Issuer will be required forthwith to draw down the entirety of the undrawn portion of the Cash Advance Facility, being a Cash Advance Facility Stand-by Drawing and credit such amount to the Cash Advance Facility Stand-by Account. Amounts so credited to the Issuer Collection Account may be utilised by the Issuer in the same manner as a drawing under the Cash Advance Facility if the Cash Advance Facility had not been so drawn. As the rating of the Cash Advance Provider will at the Closing Date be below the Requisite Credit Rating, the Issuer will draw down the Cash Advance Facility Stand-by Drawing at the Closing Date and deposit such amount on the Cash Advance Facility Stand-by Account. Such amounts will be available for payments to be made by the Issuer subject to and in accordance with the Cash Advance Facility Agreement as if it would be a drawing thereunder.

5.6 TRANSACTION ACCOUNTS

Issuer Accounts

Issuer Collection Account

The Issuer will maintain with the Issuer Account Bank the Issuer Collection Account to which – *inter alia* – all amounts received (i) in respect of the Mortgage Receivables and (ii) from the other parties to the Transaction Documents will be paid. The Issuer Administrator will identify all amounts paid into the Issuer Collection Account in respect of the Mortgage Receivables. The amount standing to the credit of the Issuer Collection Account will pay interest equal to three month Euribor minus 25 basis points on the balance standing from time to time to the credit of the Issuer Collection Account.

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

Payments may be made from the Issuer Collection Account other than on a Notes Payment Date only to satisfy amounts due to third parties (other than pursuant to the Transaction Documents) and payable in connection with the Issuer's business.

Reserve Account

The Issuer will maintain with the Issuer Account Bank the Reserve Account to which the net proceeds of the Class F Notes will be credited on the Closing Date.

Amounts credited to the Reserve Account will be available on any Notes Payment Date to meet items (a) to (n) (inclusive) of the Revenue Priority of Payments, provided that all other amounts available to the Issuer for such purpose have been used or shall be used on such Notes Payment Date to meet these items (a) to (n) (inclusive) of the Revenue Priority of Payments, including any drawings from the Reserve Account in respect of a Permitted Cash Advance Facility Agreement. In addition, the Issuer shall on each Notes Payment Date make the required Reserve Account Cash Advance Drawing (if any) from the Reserve Account if and to the extent there is a credit balance on the Reserve Account. If a Notes Payment Date the Permitted Cash Advance Drawing Amount is higher than zero, the Issuer shall, prior to any drawing under the Cash Advance Facility, first draw an amount equal to the Reserve Account Cash Advance Drawing. If and to the extent insufficient moneys are available on the Reserve Account for such purpose, it shall draw the remaining amount of the Permitted Cash Advance Drawing Amount under the Cash Advance Facility Agreement from the Cash Advance Facility Provider or from the Cash Advance Facility Stand-by Account (see *Liquidity Support*).

The Reserve Account shall be replenished with an amount up to Reserve Account Cash Advance Drawing on the preceding Notes Payment Date in accordance with and subject to item (c) of the Revenue Priority of Payments.

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

On the Notes Payment Date on which all amounts of interest and principal due in respect of the Notes, except for principal in respect of the Class F Notes, have been or will be paid, the Reserve Account Target Level will be reduced to zero and any amount standing to the credit of the Reserve Account will thereafter form part of the Available Revenue Funds and be available, subject to the Revenue Priority of Payments, for redemption of the Class F Notes on each Notes Payment Date.

Cash Advance Facility Stand-by Account

The Issuer will maintain with the Issuer Account Bank the Cash Advance Facility Stand-by Account to which it will credit any Cash Advance Facility Stand-by Drawing upon the occurrence of a Cash Advance Facility

Stand-by Drawing Event. As the rating of the Cash Advance Provider will at the Closing Date be below the Requisite Credit Rating, the Issuer will draw down the Cash Advance Facility Stand-by Drawing at the Closing Date and deposit such amount on the Cash Advance Facility Stand-by Account. Such amounts will be available for payments to be made by the Issuer subject to and in accordance with the Cash Advance Facility Agreement as if it would be a drawing thereunder.

Swap collateral accounts

The Issuer will maintain with the Issuer Account Bank the Swap Collateral Account to which any collateral in the form of cash may be credited by the Swap Counterparty pursuant to the Swap Agreement. If any collateral in the form of securities is provided to the Issuer by the Swap Counterparty, the Issuer will be required to open a custody account in which such securities will be held.

No withdrawals may be made in respect of the Swap Collateral Account or such other account in relation to securities other than:

- (i) to effect the return of Excess Swap Collateral to the Swap Counterparty (which return shall be effected by the transfer of such Excess Swap Collateral directly to the Swap Counterparty without deduction for any purpose, outside the Revenue Priority of Payments or, as applicable, the Post-Enforcement Priority of Payments) including any interest accrued on the Swap Collateral Account which may be paid in accordance with the credit support annex; or
- (ii) following the termination of the Swap Agreement where an amount is owed by the Swap Counterparty to the Issuer, the collateral (in case of securities after liquidation or sale thereof) (other than any Excess Swap Collateral) will form part of the Available Revenue Funds (for the avoidance of doubt, after any close out netting has taken place) provided that such amount may be first applied towards, or reserved for, an upfront payment to a replacement swap counterparty outside the Revenue Priority of Payments until one year after such termination has occurred.

"Excess Swap Collateral" means, (x) in respect of the date such Swap Agreement is terminated, collateral of a value equal to the amount by which the value of collateral transferred to the Issuer by the Swap Counterparty and accrued exceeds the value of the amounts owed by the Swap Counterparty (if any) to the Issuer (for the avoidance of doubt, calculated prior to any netting or set-off of an Unpaid Amount equal to the value of the collateral) and (y) in respect of any other valuation date under the Swap Agreement, collateral of a value equal to the amount by which the value of collateral transferred to the Issuer by the Swap Counterparty and accrued exceeds the value of the Swap Counterparty's collateral posting requirements under the credit support annex forming part of the Swap Agreement on such date.

Rating Issuer Account Bank

If at any time the rating of the Issuer Account Bank falls below the Requisite Credit Rating or any such rating is withdrawn by Fitch or Moody's, the Issuer will be required within 30 days (a) to transfer the balance of the relevant Issuer Accounts to another bank having at least the Requisite Credit Rating, (b) to obtain a third party with at least the Requisite Credit Rating to guarantee the obligations of the Issuer Account Bank or, (c) to find another solution so that the then current ratings of the Class A Notes are not adversely affected as a result thereof.

5.7 ADMINISTRATION AGREEMENT

In the Administration Agreement, the Issuer Administrator will agree to provide certain administration, calculation and cash management services to the Issuer, including, *inter alia*, (a) the application of amounts received by the Issuer to the Issuer Accounts and the production of quarterly reports in relation thereto, (b) procuring that, if required, drawings are made by the Issuer under the Cash Advance Facility Agreement, whether or not from the Cash Advance Facility Stand-by Account (c) procuring that all payments to be made by the Issuer under the Swap Agreement and any of the other Transaction Documents are made, (d) procuring that all payments to be made by the Issuer under the Notes are made in accordance with the Paying Agency Agreement and the Conditions, (e) the maintaining of all required ledgers in connection with the above, (f) all administrative actions in relation thereto, (g) procuring that all calculations to be made pursuant to the Conditions are made and (h) to submit certain statistical information regarding the Issuer as referred to above to certain governmental authorities if and when requested.

The Administration Agreement may be terminated by the Issuer and the Security Trustee, acting jointly, upon the occurrence of certain termination events, including but not limited to, a failure by the Issuer Administrator to comply with its obligations (unless remedied within the applicable grace period), dissolution or liquidation of the Issuer Administrator or the Issuer Administrator being declared bankrupt or granted a suspension of payments. In addition the Administration Agreement may be terminated by the Issuer Administrator upon the expiry of not less than six months' notice, subject to written approval of the Issuer and the Security Trustee, which approval may not be unreasonably withheld and subject to Credit Rating Agency Confirmation. A termination of the Administration Agreement by either the Issuer and the Security Trustee or the Issuer Administrator will only become effective if a substitute administrator is appointed.

In the Administration Agreement the Security Trustee and the Issuer will agree to use their reasonable efforts to appoint a back-up issuer administrator within forty (40) Business Days if at any time the rating of the Issuer Administrator's long-term unsecured, unsubordinated and unguaranteed debt obligations falls below Baa3 by Moody's or such rating is withdrawn. The back-up issuer administrator shall enter into an agreement with the Issuer and the Security Trustee substantially on the terms of the Administration Agreement.

Market Abuse Directive

The Directive 2003/6/EC of 28 January 2003 on insider dealing and market manipulation (the "**Market Abuse Directive**") and the Dutch legislation implementing this Directive (the Market Abuse Directive and the Dutch implementing legislation together referred to as the "**MAD Regulations**") *inter alia* impose on the Issuer the obligations to disclose inside information and to maintain a list of persons that act on behalf of or for the account of the Issuer and who, on a regular basis, have access to inside information in respect of the Issuer.

The Issuer Administrator has accepted the tasks of maintaining the list of insiders and to organise the assessment and disclosure of inside information, if any, on behalf of the Issuer. The Issuer Administrator shall have the right to consult with the Servicer and any legal counsel, accountant, banker, broker, securities company or other company other than the Credit Rating Agencies and the Security Trustee in order to analyse whether the information can be considered to be inside information which must be disclosed in accordance with the MAD Regulations. If disclosure is required, the Issuer Administrator shall procure the publication of such information in accordance with the MAD Regulations. Notwithstanding the delegation of compliance with the MAD Regulations to the Issuer Administrator, the Issuer shall ultimately remain legally responsible and liable for such compliance.

6. PORTFOLIO INFORMATION

6.1 STRATIFICATION TABLES

1. Key characteristics

	As per Cut-off Date
Principal balance	526,499,982.69
Value of saving deposits	-
Net principal balance	526,499,982.69
Construction deposits	-
Net Principal balance excl. construction and saving deposits	526,499,982.69
Number of loans	3,121
Number of loanparts	6,006
Average principal balance (borrower)	168,696
Weighted average current interest rate	4.78%
Weighted average maturity (in years)	20.0
Weighted average seasoning (in years)	9.4
Weighted average LTMV	69.61%
Weighted average LTMV (indexed)	63.11%
Weighted average LTFV	81.90%
Weighted average LTFV (indexed)	74.24%

2. Redemption Type

Description	Aggregate Outstanding Not. Amount	% of Total	Nr of Loanparts	% of Total	Weighted Average Coupon	Weighted Average Maturity	Weighted Average LTFV
Annuity	1,526,427	0.29%	31	0.52%	5.05%	19.19	84.93%
Bank Savings	-	-	-	-	-	-	-
Interest Only	368,508,113	69.99%	4,299	71.58%	4.71%	20.90	76.77%
Investments	16,787,830	3.19%	162	2.70%	4.82%	19.85	104.36%
Life Insurance	139,677,612	26.53%	1,514	25.21%	4.93%	17.49	92.68%
Linear	-	-	-	-	-	-	-
Savings	-	-	-	-	-	-	-
Other *	-	-	-	-	-	-	-
Total	526,499,983	100.00%	6,006	100.00%	4.78%	19.96	81.90%

(*) Switch mortgages

3. Outstanding Loan Amount

From (>)	To (<=)	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity	Weighted Average LTFY
<	25,000	819,680	0.16%	41	1.31%	5.03%	20.45	16.54%
25,000	50,000	6,295,482	1.20%	152	4.87%	5.03%	19.05	33.24%
50,000	75,000	15,922,905	3.02%	244	7.82%	5.00%	19.45	47.29%
75,000	100,000	33,952,710	6.45%	377	12.08%	4.84%	19.60	58.14%
100,000	150,000	101,965,828	19.37%	799	25.60%	4.85%	19.66	71.83%
150,000	200,000	107,508,353	20.42%	617	19.77%	4.84%	19.92	83.44%
200,000	250,000	82,315,554	15.63%	366	11.73%	4.84%	20.04	87.20%
250,000	300,000	63,87,193	12.12%	231	7.40%	4.56%	20.17	87.82%
300,000	350,000	44,353,207	8.42%	136	4.36%	4.52%	20.67	95.06%
350,000	400,000	24,841,913	4.72%	66	2.11%	4.82%	20.12	101.10%
400,000	450,000	14,385,821	2.73%	34	1.09%	4.65%	20.10	97.98%
450,000	500,000	15,632,854	2.97%	33	1.06%	4.80%	19.87	102.29%
500,000	>	14,717,482	2.80%	25	0.80%	4.70%	20.24	92.25%
	Unknown	-	-	-	-	-	-	-
Total		526,499,983	100.00%	3,121	100.00%	4.78%	19.96	81.90%

Average	168,690
Minimum	224
Maximum	750,000

4. Origination Year

From (>=)	Until (<)	Aggregate Outstanding Not. Amount	% of Total	Nr of Loanparts	% of Total	Weighted Average Coupon	Weighted Average Maturity	Weighted Average LTFY
<	1995	6,805,956	1.29%	115	1.91%	4.61%	16.32	60.86%
1995	1996	1,370,940	0.26%	29	0.48%	4.74%	17.00	56.90%
1996	1997	2,880,772	0.55%	55	0.92%	4.40%	17.87	77.08%
1997	1998	6,653,132	1.26%	141	2.35%	4.97%	17.20	65.70%
1998	1999	18,565,981	3.53%	352	5.86%	5.35%	14.85	77.29%
1999	2000	32,356,809	6.15%	508	8.46%	5.09%	16.50	79.97%
2000	2001	25,400,234	4.82%	325	5.41%	5.14%	18.03	89.78%
2001	2002	28,385,325	5.39%	351	5.84%	4.84%	18.76	87.12%
2002	2003	56,535,288	10.74%	606	10.09%	4.83%	19.22	83.78%
2003	2004	150,239,891	28.54%	1,509	25.12%	4.81%	20.15	76.71%
2004	2005	118,762,478	22.56%	1,271	21.16%	4.61%	20.91	83.05%
2005	2006	33,721,252	6.40%	329	5.48%	4.34%	22.14	87.31%
2006	2007	24,388,833	4.63%	237	3.95%	4.40%	23.12	85.62%
2007	2008	12,916,873	2.45%	111	1.85%	4.99%	24.37	102.23%
2008	2009	4,543,634	0.86%	38	0.63%	5.02%	25.21	92.38%
2009	2010	2,972,586	0.56%	29	0.48%	5.12%	24.33	98.48%
2010	2011	-	-	-	-	-	-	-
2011	>	-	-	-	-	-	-	-
	Unknown	-	-	-	-	-	-	-
Total		526,499,983	100.00%	6,006	100.00%	4.78%	19.96	81.90%

Weighted Average	2009
Minimum	1974
Maximum	2009

5. Seasoning

From (>=)	To (<)	Aggregate Outstanding Not. Amount	% of Total	Nr of Loanparts	% of Total	Weighted Average Coupon	Weighted Average Maturity	Weighted Average LTFV
-	1 year	-	-	-	-	-	-	-
1 year	2 years	-	-	-	-	-	-	-
2 years	3 years	638,976	0.12%	4	0.07%	5.56%	25.00	85.63%
3 years	4 years	2,989,316	0.57%	33	0.55%	5.04%	24.24	101.88%
4 years	5 years	9,864,918	1.87%	85	1.42%	5.15%	25.01	98.73%
5 years	6 years	15,026,392	2.85%	129	2.15%	4.55%	23.41	95.42%
6 years	7 years	30,158,187	5.73%	290	4.83%	4.42%	22.72	86.45%
7 years	8 years	72,839,544	13.83%	760	12.65%	4.54%	21.47	84.98%
8 years	9 years	135,512,993	25.74%	1,409	23.46%	4.70%	20.48	79.88%
9 years	10 years	109,794,211	20.85%	1,118	18.61%	4.87%	19.83	77.26%
10 years	11 years	42,461,258	8.06%	493	8.21%	4.68%	18.93	86.24%
11 years	12 years	28,043,913	5.33%	347	5.78%	5.04%	18.43	86.61%
12 years	13 years	25,650,152	4.87%	368	6.13%	5.13%	17.44	85.92%
13 years	14 years	25,970,014	4.93%	441	7.34%	5.15%	15.60	80.29%
14 years	15 years	12,979,726	2.47%	251	4.18%	5.27%	15.20	71.80%
15 years	16 years	4,271,520	0.81%	89	1.48%	5.06%	18.37	64.14%
16 years	17 years	2,864,972	0.54%	62	1.03%	4.33%	17.76	73.87%
17 years	18 years	1,341,940	0.25%	28	0.47%	4.71%	15.29	57.25%
18 years	19 years	2,661,438	0.51%	45	0.75%	4.44%	16.08	61.17%
19 years	20 years	1,360,157	0.26%	16	0.27%	4.89%	15.81	62.53%
20 years	>	2,061,357	0.39%	38	0.63%	4.56%	17.31	59.25%
Unknown		-	-	-	-	-	-	-
Total		526,499,983	100.00%	6,006	100.00%	4.78%	19.96	81.90%

Weighted Average	9.4
Minimum	2.6
Maximum	38.1

6. Legal Maturity

From (>=)	Until (<)	Aggregate Outstanding Not. Amount	% of Total	Nr of Loanparts	% of Total	Weighted Average Coupon	Weighted Average Maturity	Weighted Average LTFV
2011	2015	1,215,456	0.23%	28	0.47%	4.89%	1.29	77.11%
2015	2020	8,045,699	1.53%	131	2.18%	5.29%	6.06	78.22%
2020	2025	21,865,310	4.15%	288	4.80%	5.05%	10.62	78.60%
2025	2030	57,021,434	10.83%	730	12.15%	5.07%	15.62	82.12%
2030	2035	350,182,344	66.51%	3,832	63.80%	4.76%	20.66	80.86%
2035	2040	86,732,814	16.47%	969	16.13%	4.52%	23.73	87.22%
2040	2045	1,436,926	0.27%	28	0.47%	4.59%	28.52	77.37%
2045	2050	-	-	-	-	-	-	-
2050	2055	-	-	-	-	-	-	-
2055	2060	-	-	-	-	-	-	-
2060	2065	-	-	-	-	-	-	-
2065	2070	-	-	-	-	-	-	-
2070	2075	-	-	-	-	-	-	-
2075	2080	-	-	-	-	-	-	-
2080	2085	-	-	-	-	-	-	-
2085	2090	-	-	-	-	-	-	-
2090	2095	-	-	-	-	-	-	-
2095	2100	-	-	-	-	-	-	-
Unknown		-	-	-	-	-	-	-
Total		526,499,983	100.00%	6,006	100.00%	4.78%	19.96	81.90%

Weighted Average	2032
Minimum	2012
Maximum	2042

7. Remaining Tenor

From (>=)	To (<)	Aggregate Outstanding Not. Amount	% of Total	Nr of Loanparts	% of Total	Weighted Average Coupon	Weighted Average Maturity	Weighted Average LTFV
<	1 year	556,790	0.11%	12	0.20%	4.55%	0.77	71.55%
1 year	2 years	403,389	0.08%	11	0.18%	5.39%	1.45	83.03%
2 years	3 years	365,631	0.07%	8	0.13%	5.16%	2.38	77.85%
3 years	4 years	621,938	0.12%	12	0.20%	5.40%	3.31	71.19%
4 years	5 years	335,848	0.06%	9	0.15%	4.89%	4.32	71.27%
5 years	6 years	1,780,178	0.34%	29	0.48%	5.42%	5.57	78.31%
6 years	7 years	3,371,056	0.64%	49	0.82%	5.28%	6.50	79.25%
7 years	8 years	2,910,806	0.55%	46	0.77%	5.06%	7.38	79.56%
8 years	9 years	2,095,377	0.40%	29	0.48%	5.03%	8.39	82.13%
9 years	10 years	2,255,209	0.43%	32	0.53%	4.74%	9.51	76.89%
10 years	11 years	6,038,976	1.15%	69	1.15%	5.21%	10.49	83.82%
11 years	12 years	7,211,403	1.37%	101	1.68%	4.94%	11.48	73.82%
12 years	13 years	6,556,507	1.25%	88	1.47%	5.17%	12.41	77.41%
13 years	14 years	6,393,831	1.21%	81	1.35%	4.83%	13.50	82.76%
14 years	15 years	7,524,564	1.43%	90	1.50%	4.98%	14.40	88.36%
15 years	16 years	10,619,126	2.02%	148	2.46%	5.22%	15.49	79.18%
16 years	17 years	16,908,897	3.21%	217	3.61%	5.12%	16.53	82.52%
17 years	18 years	22,16,440	4.26%	266	4.43%	5.08%	17.40	86.46%
18 years	19 years	31,921,272	6.06%	336	5.59%	4.92%	18.48	88.32%
19 years	20 years	42,915,775	8.15%	486	8.09%	4.66%	19.50	86.10%
20 years	>	353,295,970	67.10%	3,887	64.72%	4.69%	21.87	80.77%
Unknown		-	-	-	-	-	-	-
Total		526,499,983	100.00%	6,006	100.00%	4.78%	19.96	81.90%

Weighted Average	20.0
Minimum	0.0
Maximum	30.0

8. Original Loan to Original Foreclosure Value

From (>)	To (<=)	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity	Weighted Average LTFV
NHG Garantie		-	-	-	-	-	-	-
<	10%	404,560	0.08%	19	0.61%	5.00%	20.96	8.14%
10%	20%	2,218,835	0.42%	51	1.63%	5.15%	20.10	16.54%
20%	30%	7,428,365	1.41%	119	3.81%	4.75%	19.68	25.18%
30%	40%	13,406,325	2.55%	152	4.87%	4.82%	19.99	35.22%
40%	50%	27,549,527	5.23%	261	8.36%	4.86%	20.12	45.66%
50%	60%	46,278,327	8.79%	356	11.41%	4.71%	20.13	55.18%
60%	70%	69,038,992	13.11%	463	14.83%	4.71%	19.96	65.29%
70%	80%	102,114,530	19.39%	570	18.26%	4.81%	20.05	74.44%
80%	90%	94,138,105	17.88%	445	14.26%	4.78%	19.29	86.19%
90%	100%	30,410,954	5.78%	134	4.29%	4.87%	19.58	95.62%
100%	110%	44,200,834	8.40%	180	5.77%	4.66%	19.86	105.69%
110%	120%	29,424,110	5.59%	122	3.91%	4.62%	20.30	115.91%
120%	130%	59,886,518	11.37%	249	7.98%	4.90%	20.76	123.48%
130%	140%	-	-	-	-	-	-	-
140%	150%	-	-	-	-	-	-	-
150%	>	-	-	-	-	-	-	-
Unknown		-	-	-	-	-	-	-
Total		526,499,983	100.00%	3,121	100.00%	4.78%	19.96	81.90%

Weighted Average	81.90%
Minimum	0.11%
Maximum	129.31%

9. Current Loan to Original Foreclosure Value

From (>)	To (<=)	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity	Weighted Average LTFV
NHG Garantie								
<	10%	404,560	0.08%	19	0.61%	5.00%	20.96	8.14%
10%	20%	2,218,835	0.42%	51	1.63%	5.15%	20.10	16.54%
20%	30%	7,428,365	1.41%	119	3.81%	4.75%	19.68	25.18%
30%	40%	13,406,325	2.55%	152	4.87%	4.82%	19.99	35.22%
40%	50%	27,549,527	5.23%	261	8.36%	4.86%	20.12	45.66%
50%	60%	46,278,327	8.79%	356	11.41%	4.71%	20.13	55.18%
60%	70%	69,038,992	13.11%	463	14.83%	4.71%	19.96	65.29%
70%	80%	102,114,530	19.39%	570	18.26%	4.81%	20.05	74.44%
80%	90%	94,138,105	17.88%	445	14.26%	4.78%	19.29	86.19%
90%	100%	30,410,954	5.78%	134	4.29%	4.87%	19.58	95.62%
100%	110%	44,200,834	8.40%	180	5.77%	4.66%	19.86	105.69%
110%	120%	29,424,110	5.59%	122	3.91%	4.62%	20.30	115.91%
120%	130%	59,886,518	11.37%	249	7.98%	4.90%	20.76	123.48%
130%	140%	-	-	-	-	-	-	-
140%	150%	-	-	-	-	-	-	-
150%	>	-	-	-	-	-	-	-
Unknown								
Total		526,499,983	100.00%	3,121	100.00%	4.78%	19.96	81.90%

Weighted Average	81.90%
Minimum	0.11%
Maximum	129.31%

10. Current Loan to Indexed Foreclosure Value

From (>)	To (<=)	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity	Weighted Average LTFV
NHG Garantie								
<	10%	635,659	0.12%	28	0.52%	5.16%	19.51	10.53%
10%	20%	6,245,345	1.19%	121	2.43%	4.89%	19.64	23.87%
20%	30%	14,521,901	2.76%	200	4.43%	4.76%	19.76	38.15%
30%	40%	26,576,403	5.05%	260	6.48%	4.86%	19.30	48.39%
40%	50%	44,781,023	8.51%	360	9.74%	4.93%	18.98	58.40%
50%	60%	65,018,677	12.35%	419	12.15%	4.81%	19.72	64.37%
60%	70%	92,502,866	17.57%	521	15.70%	4.74%	19.94	73.02%
70%	80%	74,401,942	14.13%	375	13.90%	4.86%	19.51	82.22%
80%	90%	56,232,637	10.68%	239	10.19%	4.71%	19.98	90.93%
90%	100%	45,299,545	8.60%	185	7.68%	4.65%	20.32	99.91%
100%	110%	45,382,390	8.62%	180	7.31%	4.60%	20.07	114.35%
110%	120%	33,795,209	6.42%	139	5.58%	4.76%	21.13	119.41%
120%	130%	14,896,070	2.83%	65	2.71%	4.88%	22.00	122.07%
130%	140%	6,029,115	1.15%	28	1.15%	4.96%	23.00	123.04%
140%	150%	181,200	0.03%	1	0.03%	5.26%	25.33	124.96%
150%	>	-	-	-	-	-	-	-
Unknown								
Total		526,499,983	100.00%	3,121	100.00%	4.78%	19.96	81.90%

Weighted Average	74.24%
Minimum	0.05%
Maximum	142.81%

11. Original Loan to Original Market Value

From (>)	To (<=)	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity	Weighted Average LTFV
NHG Garantie		-	-	-	-	-	-	-
<	10%	648,982	0.12%	26	0.83%	5.06%	21.30	9.26%
10%	20%	4,568,407	0.87%	89	2.85%	4.98%	19.74	19.88%
20%	30%	11,193,703	2.13%	154	4.93%	4.81%	19.93	30.12%
30%	40%	23,655,062	4.49%	243	7.79%	4.81%	20.03	41.87%
40%	50%	51,564,484	9.79%	406	13.01%	4.74%	20.20	53.33%
50%	60%	80,515,538	15.29%	536	17.17%	4.73%	19.98	65.24%
60%	70%	113,150,832	21.49%	621	19.90%	4.81%	19.90	75.67%
70%	80%	88,324,525	16.78%	409	13.10%	4.79%	19.30	87.84%
80%	90%	41,529,009	7.89%	177	5.67%	4.72%	19.91	100.73%
90%	100%	39,956,893	7.59%	166	5.32%	4.71%	19.67	110.88%
100%	110%	71,392,549	13.56%	294	9.42%	4.83%	20.85	122.76%
110%	120%	-	-	-	-	-	-	-
120%	130%	-	-	-	-	-	-	-
130%	140%	-	-	-	-	-	-	-
140%	150%	-	-	-	-	-	-	-
150%	>	-	-	-	-	-	-	-
Unknown		-	-	-	-	-	-	-
Total		526,499,983	100.00%	3,121	100.00%	4.78%	19.96	81.90%

Weighted Average	69.61%
Minimum	0.09%
Maximum	109.92%

12. Current Loan to Original Market Value

From (>)	To (<=)	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity	Weighted Average LTFV
NHG Garantie		-	-	-	-	-	-	-
<	10%	648,982	0.12%	26	0.83%	5.06%	21.30	9.26%
10%	20%	4,568,407	0.87%	89	2.85%	4.98%	19.74	19.88%
20%	30%	11,193,703	2.13%	154	4.93%	4.81%	19.93	30.12%
30%	40%	23,655,062	4.49%	243	7.79%	4.81%	20.03	41.87%
40%	50%	51,564,484	9.79%	406	13.01%	4.74%	20.20	53.33%
50%	60%	80,515,538	15.29%	536	17.17%	4.73%	19.98	65.24%
60%	70%	113,150,832	21.49%	621	19.90%	4.81%	19.90	75.67%
70%	80%	88,324,525	16.78%	409	13.10%	4.79%	19.30	87.84%
80%	90%	41,529,009	7.89%	177	5.67%	4.72%	19.91	100.73%
90%	100%	39,956,893	7.59%	166	5.32%	4.71%	19.67	110.88%
100%	110%	71,392,549	13.56%	294	9.42%	4.83%	20.85	122.76%
110%	120%	-	-	-	-	-	-	-
120%	130%	-	-	-	-	-	-	-
130%	140%	-	-	-	-	-	-	-
140%	150%	-	-	-	-	-	-	-
150%	>	-	-	-	-	-	-	-
Unknown		-	-	-	-	-	-	-
Total		526,499,983	100.00%	3,121	100.00%	4.78%	19.96	81.90%

Weighted Average	69.61%
Minimum	0.09%
Maximum	109.92%

13. Current Loan to Indexed Market Value

From (>)	To (<=)	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity	Weighted Average LTFV
NHG Garantie		-	-	-	-	-	-	-
<	10%	1,367,592	0.26%	45	1.44%	4.98%	20.50	14.32%
10%	20%	8,965,367	1.70%	157	5.03%	4.88%	19.42	27.03%
20%	30%	23,075,742	4.38%	270	8.65%	4.76%	19.59	42.96%
30%	40%	42,536,770	8.08%	374	11.98%	4.95%	18.98	55.59%
40%	50%	73,142,459	13.89%	491	15.73%	4.83%	19.58	62.80%
50%	60%	105,670,587	20.07%	592	18.97%	4.75%	19.92	72.94%
60%	70%	83,099,963	15.78%	416	13.33%	4.82%	19.54	83.16%
70%	80%	61,981,965	11.77%	258	8.27%	4.70%	20.06	93.07%
80%	90%	49,372,760	9.38%	201	6.44%	4.64%	20.41	106.37%
90%	100%	49,373,800	9.38%	197	6.31%	4.74%	20.57	118.89%
100%	110%	21,050,914	4.00%	88	2.82%	4.70%	21.64	121.15%
110%	120%	6,680,865	1.27%	31	0.99%	4.99%	23.97	123.01%
120%	130%	181,200	0.03%	1	0.03%	5.26%	25.33	124.96%
130%	140%	-	-	-	-	-	-	-
140%	150%	-	-	-	-	-	-	-
150%	>	-	-	-	-	-	-	-
Unknown		-	-	-	-	-	-	-
Total		526,499,983	100.00%	3,121	100.00%	4.78%	19.96	81.90%

Weighted Average	63.11%
Minimum	0.05%
Maximum	121.40%

14. Loanpart Coupon (interest rate bucket)

From (>)	To (<=)	Aggregate Outstanding Not. Amount	% of Total	Nr of Loanparts	% of Total	Weighted Average Coupon	Weighted Average Maturity	Weighted Average LTFV
<	0.5%	-	-	-	-	-	-	-
0.5%	1.0%	-	-	-	-	-	-	-
1.0%	1.5%	23,582,336	4.48%	279	4.65%	1.37%	20.08	75.83%
1.5%	2.0%	5,598,834	1.06%	61	1.02%	1.65%	20.24	114.29%
2.0%	2.5%	-	-	-	-	-	-	-
2.5%	3.0%	-	-	-	-	-	-	-
3.0%	3.5%	2,477,133	0.47%	28	0.47%	3.31%	21.44	84.66%
3.5%	4.0%	35,390,556	6.72%	430	7.16%	3.92%	20.37	75.85%
4.0%	4.5%	75,128,772	14.27%	836	13.92%	4.28%	20.80	87.02%
4.5%	5.0%	157,189,635	29.86%	1,680	27.97%	4.79%	20.59	79.30%
5.0%	5.5%	148,213,232	28.15%	1,688	28.11%	5.27%	19.57	82.94%
5.5%	6.0%	47,265,141	8.98%	598	9.96%	5.73%	18.75	82.16%
6.0%	6.5%	29,155,499	5.54%	366	6.09%	6.24%	17.99	82.98%
6.5%	7.0%	2,865,796	0.45%	38	0.63%	6.70%	14.48	80.01%
7.0%	>	132,050	0.03%	2	0.03%	7.78%	13.82	61.70%
Unknown		-	-	-	-	-	-	-
Total		526,499,983	100.00%	6,006	100.00%	4.78%	19.96	81.90%

Weighted Average	4.78%
Minimum	1.30%
Maximum	8.00%

15. Remaining Interest Rate Fixed Period

From (>=)	To (<)	Aggregate Outstanding Not. Amount	% of Total	Nr of Loanparts	% of Total	Weighted Average Coupon	Weighted Average Maturity	Weighted Average LTFV
<	1 year	177,380,429	33.60%	2,050	34.13%	4.16%	19.96	83.72%
1 year	2 years	92,929,889	17.65%	1,058	17.62%	5.05%	19.58	80.41%
2 years	3 years	27,259,677	5.18%	342	5.69%	5.05%	19.99	80.39%
3 years	4 years	34,062,482	6.47%	381	6.34%	4.62%	20.46	82.20%
4 years	5 years	27,172,593	5.16%	308	5.13%	5.11%	20.63	88.47%
5 years	6 years	33,126,011	6.29%	376	6.28%	5.24%	20.67	81.00%
6 years	7 years	36,774,178	6.98%	425	7.08%	5.30%	18.78	77.16%
7 years	8 years	14,184,436	2.69%	167	2.78%	5.43%	17.05	80.69%
8 years	9 years	8,972,014	1.70%	105	1.75%	5.26%	18.94	77.90%
9 years	10 years	10,924,731	2.07%	134	2.23%	5.67%	19.25	80.38%
10 years	11 years	7,289,194	1.38%	87	1.45%	5.46%	19.16	73.25%
11 years	12 years	6,828,417	1.30%	75	1.25%	5.40%	20.19	81.73%
12 years	13 years	5,044,007	0.96%	56	0.93%	4.82%	20.66	74.91%
13 years	14 years	19,966,105	3.79%	206	3.43%	4.58%	21.01	81.30%
14 years	15 years	5,175,309	0.98%	55	0.92%	5.00%	21.55	83.47%
15 years	16 years	2,219,822	0.42%	24	0.40%	5.38%	23.23	81.36%
16 years	17 years	538,796	0.10%	6	0.10%	5.90%	21.37	64.40%
17 years	18 years	1,428,168	0.27%	10	0.17%	5.39%	17.68	100.46%
18 years	19 years	1,281,912	0.24%	17	0.28%	4.92%	18.66	81.86%
19 years	20 years	2,913,133	0.55%	26	0.43%	5.19%	21.76	85.87%
20 years	21 years	1,029,927	0.20%	14	0.23%	5.53%	20.59	70.67%
21 years	22 years	2,383,500	0.45%	22	0.37%	5.40%	21.55	82.31%
22 years	23 years	1,403,059	0.27%	11	0.18%	4.92%	22.39	86.38%
23 years	24 years	3,179,564	0.60%	21	0.35%	4.66%	22.91	81.14%
24 years	25 years	1,174,000	0.22%	9	0.15%	5.05%	23.37	102.48%
25 years	26 years	1,122,324	0.21%	12	0.20%	5.40%	23.12	89.23%
26 years	27 years	598,475	0.11%	6	0.10%	6.12%	23.45	74.89%
27 years	28 years	33,000	0.01%	1	0.02%	6.20%	27.50	61.86%
28 years	29 years	104,830	0.02%	2	0.03%	6.35%	21.83	29.12%
29 years	30 years	-	-	-	-	-	-	-
30 years	>	-	-	-	-	-	-	-
Unknown		-	-	-	-	-	-	-
Total		526,499,983	100.00%	6,006	100.00%	4.78%	19.96	81.90%

Weighted Average	4.7
Minimum	0.0
Maximum	28.6

16. Interest Payment Type

Description	Aggregate Outstanding Not. Amount	% of Total	Nr of Loanparts	% of Total	Weighted Average Coupon	Weighted Average Maturity	Weighted Average LTFV
Fixed	435,798,882	82.77%	4,918	81.88%	5.08%	19.91	80.85%
Floating	90,701,101	17.23%	1,088	18.12%	3.31%	20.19	86.92%
Unknown	-	-	-	-	-	-	-
Total	526,499,983	100.00%	6,006	100.00%	4.78%	19.96	81.90%

17. Property Description

Property	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity	Weighted Average LTFV
House	474,972,072	90.21%	2,756	88.31%	4.77%	19.88	81.26%
Appartment	49,378,634	9.38%	355	11.37%	4.85%	20.78	88.08%
House / Business (< 50 %)	2,149,277	0.41%	10	0.32%	5.15%	18.80	80.19%
House / Business (> 50 %)	-	-	-	-	-	-	-
Business	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total	526,499,983	100.00%	3,121	100.00%	4.78%	19.96	81.90%

18. Geographical Distribution (by province)

Province	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity	Weighted Average LTFV
Drenthe	31,883,095	6.06%	208	6.66%	4.41%	20.24	82.37%
Flevoland	15,636,720	2.97%	87	2.79%	4.66%	19.86	97.13%
Friesland	10,992,559	2.09%	77	2.47%	4.82%	20.12	76.41%
Gelderland	64,076,583	12.17%	383	12.27%	4.76%	20.14	76.57%
Groningen	10,322,171	1.96%	80	2.56%	4.99%	20.32	78.27%
Limburg	20,636,771	3.92%	146	4.68%	4.90%	19.31	80.09%
Noord-Brabant	75,992,828	14.43%	466	14.93%	4.73%	20.31	75.68%
Noord-Holland	120,362,078	22.86%	683	21.88%	4.82%	19.76	84.24%
Overijssel	26,445,998	5.02%	182	5.83%	4.74%	20.11	78.17%
Utrecht	46,841,579	8.90%	238	7.63%	4.73%	20.09	85.67%
Zeeeland	8,245,022	1.57%	49	1.57%	5.00%	20.40	79.50%
Zuid-Holland	95,064,578	18.06%	522	16.73%	4.87%	19.67	85.62%
Unspecified	-	-	-	-	-	-	-
Total	526,499,983	100.00%	3,121	100.00%	4.78%	19.96	81.90%

19. Geographical Distribution (by economic region)

Economic region	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity	Weighted Average LTFV
NL111 - Oost-Groningen	2,111,565	0.40%	22	0.70%	5.07%	20.11	72.29%
NL112 - De IJzijl en omgeving	185,000	0.04%	2	0.06%	5.69%	20.33	77.65%
NL113 - Overig Groningen	8,025,806	1.52%	56	1.79%	4.95%	20.37	79.86%
NL121 - Noord-Friesland	5,248,752	1.00%	39	1.25%	4.87%	19.58	78.84%
NL122 - Zuidwest-Friesland	535,083	0.10%	6	0.19%	4.45%	21.76	56.62%
NL123 - Zuidoost-Friesland	5,208,724	0.99%	32	1.03%	4.80%	20.49	76.01%
NL131 - Noord-Drenthe	9,103,942	1.73%	49	1.57%	4.80%	20.59	84.85%
NL132 - Zuidoost-Drenthe	14,085,104	2.68%	99	3.17%	4.16%	20.12	82.95%
NL133 - Zuidwest-Drenthe	8,394,049	1.59%	59	1.89%	4.41%	19.96	79.08%
NL211 - Noord-Overijssel	11,348,361	2.16%	72	2.31%	4.72%	20.34	79.77%
NL212 - Zuidwest-Overijssel	4,002,688	0.76%	28	0.90%	4.96%	19.72	82.00%
NL213 - Twente	11,004,950	2.11%	82	2.63%	4.66%	20.02	75.16%
NL221 - Veluwe	25,668,224	4.88%	151	4.84%	4.70%	19.75	76.53%
NL224 - Zuidwest-Gelderland	9,341,028	1.77%	55	1.76%	4.96%	19.61	70.45%
NL225 - Achterhoek	11,644,318	2.21%	82	2.63%	4.76%	20.81	73.66%
NL226 - Arnhem/Nijmegen	17,293,887	3.28%	95	3.04%	4.74%	20.57	81.92%
NL230 - Flevoland	15,471,720	2.94%	86	2.76%	4.69%	19.86	96.86%
NL310 - Utrecht	46,597,567	8.85%	237	7.59%	4.72%	20.09	85.79%
NL321 - Kop van Noord-Holland	21,548,796	4.09%	132	4.23%	4.79%	19.25	83.77%
NL322 - Alkmaar en omgeving	15,424,588	2.93%	95	3.04%	4.83%	19.58	75.39%
NL323 - IJmond	13,008,728	2.47%	73	2.34%	4.95%	19.63	82.49%
NL324 - Agglomeratie Haarlem	12,124,518	2.30%	60	1.92%	4.89%	20.11	85.52%
NL325 - Zaanstreek	4,241,266	0.81%	26	0.83%	4.90%	20.34	84.27%
NL326 - Groot-Amsterdam	42,423,286	8.06%	239	7.66%	4.72%	19.91	88.55%
NL327 - Het Gooi en Vechtstreek	11,380,896	2.16%	57	1.83%	4.93%	20.12	81.15%
NL331 - Agglomeratie Leiden en Bollenstreek	15,399,872	2.92%	77	2.47%	4.86%	19.57	81.95%
NL332 - Agglomeratie 's-Gravenhage	21,419,942	4.07%	120	3.84%	4.85%	19.29	87.05%
NL333 - Delft en Westland	7,545,059	1.43%	43	1.38%	5.14%	19.11	82.73%
NL334 - Oost-Zuid-Holland	10,829,573	2.06%	60	1.92%	5.03%	20.24	81.12%
NL335 - Groot-Rijnmond	28,005,181	5.32%	152	4.87%	4.80%	19.78	88.66%
NL336 - Zuidoost-Zuid-Holland	11,208,055	2.13%	66	2.11%	4.78%	20.00	86.66%
NL341 - Zeeuwsech-Vlaanderen	1,009,823	0.19%	7	0.22%	5.23%	20.88	78.82%
NL342 - Overig Zeeland	7,235,199	1.37%	42	1.35%	4.97%	20.33	79.59%
NL411 - West-Noord-Brabant	23,623,577	4.49%	151	4.84%	4.82%	20.18	75.67%
NL412 - Midden-Noord-Brabant	10,984,143	2.09%	63	2.02%	5.03%	20.07	84.02%
NL413 - Noordoost-Noord-Brabant	20,482,005	3.89%	121	3.88%	4.38%	20.38	74.76%
NL414 - Zuidoost-Noord-Brabant	20,340,359	3.86%	128	4.10%	4.78%	20.54	72.33%
NL421 - Noord-Limburg	10,353,256	1.97%	74	2.37%	4.86%	19.33	80.13%
NL422 - Midden-Limburg	5,696,651	1.08%	37	1.19%	4.96%	19.24	77.45%
NL423 - Zuid-Limburg	4,586,865	0.87%	35	1.12%	4.91%	19.37	83.28%
Other	2,267,781	0.43%	11	0.35%	5.23%	19.65	82.97%
Total	526,499,983	100.00%	3,121	100.00%	4.78%	19.96	81.90%

20. Construction Deposits (as percentage of net principal amount)

From (>)	To (<=)	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity	Weighted Average LTFV
<	5%	526,499,983	100.00%	3,121	100.00%	4.78%	19.96	81.90%
5%	10%	-	-	-	-	-	-	-
10%	15%	-	-	-	-	-	-	-
15%	20%	-	-	-	-	-	-	-
20%	25%	-	-	-	-	-	-	-
25%	30%	-	-	-	-	-	-	-
30%	35%	-	-	-	-	-	-	-
35%	40%	-	-	-	-	-	-	-
40%	45%	-	-	-	-	-	-	-
45%	50%	-	-	-	-	-	-	-
50%	55%	-	-	-	-	-	-	-
55%	60%	-	-	-	-	-	-	-
60%	>	-	-	-	-	-	-	-
Total		526,499,983	100.00%	3,121	100.00%	4.78%	19.96	81.90%

Average	
Minimum	
Maximum	

21. Occupancy

Description	Aggregate Outstanding Not. Amount	% of Total	Nr of Loanparts	% of Total	Weighted Average Coupon	Weighted Average Maturity	Weighted Average LTFV
Owner Occupied	526,499,983	100.00%	6,006	100.00%	4.78%	19.96	81.90%
Buy-to-let	-	-	-	-	-	-	-
Unknown	-	-	-	-	-	-	-
Total		526,499,983	6,006	100.00%	4.78%	19.96	81.90%

22. Employment Status Borrower

Description	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity	Weighted Average LTFV
Employed	421,323,824	80.02%	2,438	78.12%	4.79%	19.90	84.44%
Self Employed	57,978,961	11.01%	259	8.30%	4.70%	19.58	82.44%
Other	47,017,198	8.93%	423	13.55%	4.78%	20.96	58.45%
Unknown	18,000	0.03%	1	0.03%	4.60%	21.33	78.13%
Total		526,499,983	3,121	100.00%	4.78%	19.96	81.90%

23. Loan to Income

From (>)	To (<=)	Aggregate Outstanding Not. Amount	% of Total	Nr of Borrowers	% of Total	Weighted Average Coupon	Weighted Average Maturity	Weighted Average LTFV
<	0.5	394,361	0.07%	15	0.48%	4.95%	21.08	15.16%
0.5	1.0	2,930,607	0.56%	66	2.11%	4.67%	18.85	27.89%
1.0	1.5	7,726,610	1.47%	122	3.91%	4.89%	19.34	44.06%
1.5	2.0	17,599,432	3.34%	198	6.34%	4.87%	19.43	53.43%
2.0	2.5	30,207,293	5.74%	273	8.75%	4.94%	18.83	62.31%
2.5	3.0	44,511,652	8.45%	333	10.67%	4.73%	19.50	68.89%
3.0	3.5	52,755,048	10.02%	338	10.83%	4.84%	19.52	74.12%
3.5	4.0	75,886,966	14.41%	423	13.55%	4.88%	19.75	83.75%
4.0	4.5	87,879,072	16.69%	440	14.10%	4.74%	19.92	86.97%
4.5	5.0	88,499,779	16.81%	424	13.59%	4.67%	20.21	92.91%
5.0	5.5	71,626,290	13.60%	295	9.45%	4.73%	20.73	89.52%
5.5	6.0	28,248,048	5.37%	123	3.94%	4.77%	20.84	91.52%
6.0	6.5	12,369,600	2.35%	49	1.57%	4.71%	21.20	84.84%
6.5	7.0	2,077,356	0.39%	9	0.29%	4.88%	19.23	99.65%
7.0	8.0	3,787,867	0.72%	13	0.42%	4.85%	19.45	110.02%
8.0	>	-	-	-	-	-	-	-
Unknown		-	-	-	-	-	-	-
Total		526,499,983	100.00%	3,121	100.00%	4.78%	19.96	81.90%

Weighted Average	4.06
Minimum	0.00
Maximum	7.98

24. Debt Service to Income

From (>)	To (<=)	Aggregate Outstanding Not. Amount	% of Total	Nr of Borrowers	% of Total	Weighted Average Coupon	Weighted Average Maturity	Weighted Average LTFV
<	5%	11,930,835	2.27%	146	4.68%	2.28%	19.96	58.55%
5%	10%	43,609,008	8.28%	386	12.37%	3.46%	19.93	67.24%
10%	15%	73,056,261	13.88%	568	18.20%	4.73%	19.57	67.87%
15%	20%	134,372,320	25.52%	761	24.38%	4.79%	19.94	81.87%
20%	25%	147,844,182	28.08%	729	23.36%	5.01%	20.01	87.66%
25%	30%	90,157,133	17.12%	421	13.49%	5.20%	20.50	91.61%
30%	35%	18,132,262	3.44%	73	2.34%	5.48%	19.65	91.86%
35%	40%	3,590,734	0.68%	17	0.54%	5.49%	17.20	97.36%
40%	45%	1,335,999	0.25%	6	0.19%	5.25%	18.37	97.24%
45%	50%	1,535,729	0.29%	9	0.29%	4.95%	16.33	71.98%
50%	55%	266,109	0.05%	2	0.06%	4.80%	17.94	64.83%
55%	60%	-	-	-	-	-	-	-
60%	65%	501,427	0.10%	2	0.06%	5.00%	17.37	48.73%
65%	70%	-	-	-	-	-	-	-
70%	>	167,983	0.03%	1	0.03%	5.34%	20.56	68.77%
Unknown	-	-	-	-	-	-	-	-
Total		526,499,983	100.00%	3,121	100.00%	4.78%	19.96	81.90%

Weighted Average	19.65%
Minimum	0.02%
Maximum	80.35%

25. Loanpart Payment Frequency

Description	Aggregate Outstanding Not. Amount	% of Total	Nr of Loanparts	% of Total	Weighted Average Coupon	Weighted Average Maturity	Weighted Average LTFV
Monthly	521,413,820	99.03%	5,920	98.57%	4.78%	20.00	82.14%
Quarterly	5,086,163	0.97%	86	1.43%	4.78%	16.25	56.83%
Semi-annually	-	-	-	-	-	-	-
Annually	-	-	-	-	-	-	-
Total	526,499,983	100.00%	6,006	100.00%	4.78%	19.96	81.90%

26. Guarantee Type (NHG / Non NHG)

Description	Aggregate Outstanding Not. Amount	% of Total	Nr of Loanparts	% of Total	Weighted Average Coupon	Weighted Average Maturity	Weighted Average LTFV
NHG Guarantee	-	-	-	-	-	-	-
No NHG Guarantee	526,499,983	100.00%	6,006	100.00%	4.78%	19.96	81.90%
Total	526,499,983	100.00%	6,006	100.00%	4.78%	19.96	81.90%

27. Originator

Originator	Aggregate Outstanding Not. Amount	% of Total	Nr of Loanparts	% of Total	Weighted Average Coupon	Weighted Average Maturity	Weighted Average LTFV
Royal Residentie Hypotheken B.V.	5,201,589	0.99%	56	0.93%	5.26%	16.89	92.75%
Hypinvest B.V.	149,401,047	28.38%	1,516	25.24%	4.67%	21.03	87.84%
Seyst Hypotheken B.V.	13,396,329	2.54%	143	2.38%	4.65%	22.41	79.62%
Amstelsaete Hypotheken B.V.	358,501,018	68.09%	4,291	71.45%	4.82%	19.47	79.34%
Total	526,499,983	100.00%	6,006	100.00%	4.78%	19.96	81.90%

28. Servicer

Servicer	Aggregate Outstanding Not. Amount	% of Total	Nr of Loanparts	% of Total	Weighted Average Coupon	Weighted Average Maturity	Weighted Average LTFV
Storer Nederland B.V.	526,499,983	100.00%	6,006	100.00%	4.78%	19.96	81.90%
Total	526,499,983	100.00%	6,006	100.00%	4.78%	19.96	81.90%

29. Capital Insurance Policy Provider (Savings)

Insurance Policy Provider	Aggregate Outstanding Not. Amount	% of Total	Nr of Loanparts	% of Total	Weighted Average Coupon	Weighted Average Maturity	Weighted Average LTFV
No policy attached	526,499,983	100.00%	6,006	100.00%	4.78%	19.96	81.90%
Total	526,499,983	100.00%	6,006	100.00%	4.78%	19.96	81.90%

30. Capital Insurance Policy Provider (Life)

Insurance Policy Provider	Aggregate Outstanding % of Not. Amount Total	Nr of Loanparts	% of Total	Weighted Average Coupon	Weighted Average Maturity	Weighted Average LTFV	
No policy attached	386,822,371	73.47%	4,492	74.79%	4.72%	20.85	78.00%
ABN AMRO Levensverzekering N.V.	50,000	0.01%	1	0.02%	5.30%	16.92	80.65%
AEGON Levensverzekering N.V.	44,107	0.01%	1	0.02%	4.05%	12.58	80.00%
Allianz Nederland Levensverzekering N.V.	5,892,830	1.11%	51	0.85%	5.08%	17.76	101.97%
AVERO ACHMEA	605,021	0.11%	7	0.12%	5.00%	17.76	108.26%
Conservatrix N.V.	109,540	0.02%	1	0.02%	4.15%	8.00	118.06%
Goudse Levensverzekering Maatschappij N.V.	3,134,059	0.60%	35	0.58%	5.09%	19.98	110.46%
Delta Lloyd Levensverzekering N.V.	502,671	0.10%	5	0.08%	4.79%	18.91	121.66%
Fortis Levensverzekering N.V.	1,091,869	0.21%	10	0.17%	4.90%	18.28	110.63%
GENERALI Levensverzekering maatschappij N.V.	453,780	0.09%	2	0.03%	4.89%	18.03	90.52%
Legal & General Nederland Levensverzekering Mij N.V.	68,682	0.01%	1	0.02%	4.75%	20.52	119.48%
SRLEV N.V.	126,627,526	24.05%	1,379	22.96%	4.92%	17.41	91.33%
ING	987,527	0.19%	13	0.22%	4.89%	15.72	103.53%
BNP Paribas	140,000	0.03%	1	0.02%	4.50%	23.33	116.67%
Unknown	-	-	7	0	-	-	-
Total	526,499,983	100.00%	6,006	100.00%	4.78%	19.96	81.90%

6.2 DESCRIPTION OF MORTGAGE LOANS

The Mortgage Receivables to be sold and assigned to the Issuer on the Closing Date include any and all rights (whether actual or contingent) of the Sellers against any Borrower under or in connection with any Mortgage Loans selected by agreement between the Sellers and the Issuer. Payment for such sale shall occur on the Closing Date.

The Mortgage Loans are loans secured by a mortgage right, evidenced by notarial mortgage deeds ("*notariële akten van hypotheekstelling*") and are in force and effect between the Sellers and the relevant Borrowers.

The Mortgage Loans in the mortgage loan portfolio have been selected according to the criteria set forth in the Mortgage Receivables Purchase Agreement on or before the Closing Date. All of the loans forming part of the mortgage loan portfolio were originated by the Originators between 1 January 1992 and 1 July 2012.

For a description of the representations and warranties given by the Sellers reference is made to *Representations and Warranties* in *Portfolio Documentation* below.

Based on the numerical information set out above, but subject to what is set out in *Risk Factors* above, the Mortgage Loans have characteristics that demonstrate the capacity to produce funds to service any payments due and payable under the Notes.

The numerical information set out above relates to the mortgage loan portfolio on the Cut-Off Date. In each table the weighted average coupon ("**WAC**") and the weighted average remaining fixed rate term in years ("**WAM**") are specified. All amounts are in euro.

After the Closing Date the portfolio will change from time to time as a result of repayment, prepayment, substitution, amendment and repurchase of Mortgage Receivables.

6.3 ORIGATION AND SERVICING

Origination

The Mortgage Loans involved are originated by (i) the Sellers (all 100 per cent. subsidiaries of NIBC) and (ii) in the case of Mortgage Loans sold by Amstelstaete and which were originated prior to 16 December 2004, by Zwitterleven (the Sellers and Zwitterleven collectively referred to as the "**Originators**"). To the extent a Relevant Mortgage Loan was not originated by Amstelstaete, such Relevant Mortgage Loan was originated by Zwitterleven and either (i) transferred to Amstelstaete by means of a contract transfer to which the relevant Borrowers have not abstained their cooperation or (ii) assigned to Amstelstaete, as the case may be, which assignment was notified to the Borrowers.

The only business activity of the Sellers is originating mortgage loans. The registered address of the Sellers is Carnegieplein 4, 2517 KJ The Hague.

All Mortgage Loans are administered and serviced by NIBC in its capacity as Servicer. The Servicer will provide mortgage payment transactions and other services to and on behalf of the Issuer on a day-to-day basis in relation to the Mortgage Loans. The duties of the Servicer include the collection of payments of principal, interest and other amounts in respect of the Mortgage Loans.

In accordance with the Issuer Servicing Agreement, the Servicer will initially appoint Stater Nederland B.V. as its sub-agent to carry out (part of) the activities described above for all Mortgage Loans.

Underwriting rules

The underwriting rules for mortgage loans are set by the Sellers and typically include the following:

- (i) credit bureau information;
- (ii) amount of debt that can be advanced against the borrower's monthly income and definition of income for the purposes of this calculation as well as minimum income level;
- (iii) length of time that the borrower has been in his/her current job;
- (iv) loan-to-value limitations;
- (v) loan purpose, property type;
- (vi) foreclosure and market valuations;
- (vii) occupation details (i.e. owner-occupied, rental); and
- (viii) age of borrower and marital status of borrower.

In partnership with HNC software Inc., Stater has introduced an automated lending decision management system ("**Capstone**"), which system is used by the Sellers in the origination of the mortgage loans. Capstone provides rule bases and risk models to regulate the underwriting process. In addition, it acts to accelerate the processing time of decisions on a loan application. It includes the ability to tailor rules to the lender's risk and reward expectations and business policies, by means of a Stater proprietary credit scoring model. Capstone is also used to incorporate underwriting criteria set by Stichting WEW.

Origination process

The Sellers originate and distribute Mortgage Loans via partnerships. The origination process is outsourced to business partners that operate within a mandate given by NIBC. Loan application forms are submitted electronically to these business partners, by mail or fax by an intermediary, such as a mortgage adviser, insurance agent or. The information on the loan application is entered into the international Stater Mortgage System ("**iSHS**"). iSHS automatically collects credit information about the applicant from BKR and *Stichting*

Fraudebestrijding Hypotheken ("SFH"). BKR provides positive and negative credit information on all borrowers with credit histories at financial institutions in the Netherlands. Stater, or the respective business partner, reviews loan applications which have been submitted by the intermediary. The actual loan acceptance and the final check of the loan files take place at Stater, or are made by the business partner, depending on the mandate.

After the application data have been entered into iSHS, the application is evaluated by Capstone, the automated underwriting system that is part of iSHS. This system also contains a fraud detection system. Each application is automatically evaluated on the basis of the underwriting criteria set by the Sellers, with respect to the NHG Mortgage Loans including those set in accordance with the terms and conditions of Stichting WEW. In the event of the underwriting criteria not being met Capstone generates a STOP-rule. In those cases a loan proposal cannot be sent to the client. In the general origination procedures the underwriter will contact NIBC, who will decide whether or not the STOP-rule may be overruled and will inform the business partner in writing. For mortgages to be eligible for an NHG Guarantee however, a STOP-rule cannot be overruled. In the event that the application is rejected, the applicant is informed in writing through the intermediary.

If the loan is in compliance with the underwriting criteria, Stater or the business partner can offer the applicant a loan proposal. The proposal is sent out through the intermediary. Once the proposal is accepted by the applicant, the underwriter collects the signed proposal, together with all other required loan documents, which will be reviewed (evidence of income, the sales contract, appraisal report, insurance application if applicable, etc.). Once the file is completed and approved, final acceptance is approved by a second underwriter. In respect of an NHG Mortgage Loan, after completing the loan file and final acceptance thereof, the loan is reported to Stichting WEW in order to be registered for an NHG Guarantee. Subsequently, the loan file is sent to Stater and scanned onto Hyarchis (document archive system), which is connected to iSHS. The loan file is then available online to NIBC. Stater stores the original paper file at a separate storage facility. In addition, after the final acceptance of the loan, information for the notary is automatically generated and sent out to the notary. On the basis of this information the notary can create the mortgage deed. Each mortgage loan is secured by a first ranking mortgage right or first and sequentially lower ranking mortgage right. The borrower is required to take out 'bricks and mortar' insurance in respect of the mortgaged property for the full restitution value thereof. The notary formally checks this requirement on origination. All the original deeds are stored by the notary and are registered with the land register (the "**Kadaster**").

Processing activities

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

Payments & Assets: this department is responsible for all procedures involved in passing the notary deeds, the management of outgoing and incoming payments, the deduction of payments from construction deposits.

Managing & Redeeming: this department deals with modifications on loans and policies, and handles the settlement of redemptions

Contact Center & Document Management: this department provides information to customers on their loans and handles the scanning and registering of all incoming correspondence linked to the loans.

The high degree of system automation allows each employee to process and service multiple accounts. All documents are scanned and made accessible through workflow management.

Collections

All monthly payments of principal and interest on the Mortgage Loans are collected from borrowers by direct debit. The sub-agent is mandated by each lender to draw the payments from the borrower's bank account directly into NIBC's collection foundation accounts. The payments are automatically collected on the day before the last Business Day of each month. Payment information is monitored daily.

In respect of arrears management see *Arrears management in respect of all Mortgage Loans* below.

Arrears & Foreclosure Management

Introduction

NIBC has outsourced the primary servicing of mortgage loans to Stater, Quion and Welcium whereas the arrears and foreclosure management is managed by NIBC itself since April 2006. For this purpose, NIBC has established a separate business unit of B.V. NIBC Mortgage Backed Assets trading under the name of "Vredezicht Incasso Maatschappij" ("**VIM**"), with a team of specialised credit managers. The main goal is to enhance efficiency and create one standardised process for arrears and foreclosures. VIM uses its experience in arrears and foreclosure management to enhance the origination process and the underwriting criteria in order to prevent arrears and losses. VIM distinguishes two phases in arrears and foreclosure management.

Phase 1: Arrears Management

VIM uses the OnGuard software to manage the arrears management process. This system interfaces on a daily basis with the Stater software so that VIM has all relevant and up-to-date loan information to be able to effectively manage arrears. On the first Business Day after a missed payment, a reminder letter is sent out to the borrower. Recidivists receive a first phone call instead of a reminder letter. If the borrower does not pay or respond within the time set out in the reminder letter, a first phone call is made 5 Business Days after the first reminder letter. A second reminder letter, of which the tone is more severe, is sent out in the second week of arrears. Every borrower, as long as the missed payment has not been paid, receives 4 reminder letters and 4 phone calls within the first month after the missed payment. Reminder letters are automatically generated by OnGuard and sent out to borrowers by VIM. VIM collects detailed information regarding the borrower's current job status, current income, property and monthly expenditure in order to be able to attach earnings, to distress properties, or to make a payment arrangement.

If the arrears situation continues into the second month after the missed payment, VIM can take several actions depending on the severity of the situation. A borrower's earnings and/or possessions can be attached with the help of a bailiff. Unannounced borrower house visits are made and an extensive recovery information report can be drawn up by a specialised third party.

Borrowers can be advanced to the Foreclosure management team before the end of the second month in certain special circumstances (for instance in case of unemployment, inability to work, divorce and/or decease, double housing expenses, fraud cases).

Phase 2: Foreclosure Management

The Foreclosure Management team manages all loans with more than three monthly terms arrears and loans that will result in a loss in the near future.

A credit check is carried out at BKR, the outcome of which indicates whether the borrower is experiencing difficulties in making other payments on consumer loans or other debt instruments. After four consecutive months of delinquency, BKR is notified.

If it is not possible to levy an attachment on the borrower's salary due to insufficient actual income, VIM sends the borrower a power of attorney. A signed power of attorney allows NIBC to start a private sale on behalf of the borrower.

VIM works in accordance with the Code of Conduct of Mortgage Loans (*'Gedragcode Hypothecaire Financieringen'*) with regard to a solution to a delinquent borrower's payment problems can be reached. The borrower can present a proposal to VIM at any point for repaying the arrears balance. VIM will then assess the borrower's proposal and a counter-proposal can be made. The borrower can also propose to sell the property at any stage through a private sale. VIM may accept this if (a) revenues from the private sale are expected to cover the outstanding debt in full, or (b) it is estimated that the costs of the foreclosure process will result in a lower recovery value than a private sale of the property by the borrower.

Ultimately, VIM will call the loan and organise a public auction to recover the outstanding debt and arrears amount.

Default management

NIBC shall, on behalf of the Issuer, sell the mortgaged property via private sale or an auction if the borrower fails to fulfil its obligations. The Issuer has, as a first ranking mortgagee, an 'executorial title', which means that it does not have to obtain permission from court prior to foreclosure on the mortgaged property. If the proceeds from the sale (auction) of the mortgaged property do not fully cover the Issuer's claims, NIBC, on behalf of the Issuer, may sell any pledged associated life insurance or investment deposit. However, Dutch law requires that, before a lender may foreclose on a borrower's mortgaged property, the borrower must be notified in writing that it is in default and it must also be given reasonable time to comply with the lender's claims.

In respect of NHG Mortgage Receivables, if NIBC, on behalf of the Issuer, wants to sell the mortgaged property it is required to ask permission from Stichting WEW in accordance with the terms and conditions of the NHG Guarantee programme and 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 party). The notification should include the amount outstanding and the expenses incurred to date, as well as the name of the civil law notary responsible for the foreclosure sale.

Foreclosures

In the case of a borrower's bankruptcy, the borrower's mortgaged property may be foreclosed upon regardless of the bankruptcy. Nevertheless, the execution must take place within a reasonable time; otherwise the bankruptcy trustee may take over the execution measures. If this occurs, the lender will be obliged to contribute to the bankruptcy costs.

VIM will calculate the best method of maximising the sale value of the mortgaged property. Based on the outcome of this calculation, it decides either to sell the property in a private sale or by public auction. When the notification of foreclosure is made, VIM gives formal instructions to the civil notary about the location of the property. The date of the sale will be selected by the civil law notary within, in principle, three weeks of this instruction and the sale will take place about six weeks after the decision to foreclose.

In respect of NHG Mortgage Receivables, in the event that the proceeds from the sale are insufficient to cover the mortgage loan, the foreclosure costs and the interest on arrears of the remaining amount can be claimed at Stichting WEW in accordance with the terms and conditions of the NHG Guarantee programme.

In general, it takes VIM approximately two months to foreclose on a property once the decision to foreclose has been made. Throughout the foreclosure process, VIM works in accordance with the terms and conditions of the NHG Guarantee programme, the instructions of NIBC, guidelines set down by Dutch law, the Code of Conduct of Mortgage Loans and the BKR.

6.4 DUTCH RESIDENTIAL MORTGAGE MARKET

Market

Over Euro 600 bn in outstanding mortgages

Per ultimo 2011, the total outstanding mortgage debt in the Netherlands was ca. EUR 640.0 bn, according to the Dutch Central Bank ("DNB"). Gross mortgage production in 2011 was EUR 60bn, according to IG&H consulting. This was somewhat lower than the EUR 63bn of new lending that occurred in 2010. The average house price in December 2011 was EUR 230,582, according to Kadaster. After a number of years of annual growths of ca. 3 – 5%, house prices in the Netherlands have shown a total decrease of ca. 11% since reaching their peak in 2008.

Low level of owner occupancy

In the Netherlands in 2010 ca. 55% of all houses were owner-occupied according to the Centraal Bureau voor de Statistiek ("CBS"). The average level of home-ownership for all EU countries is around 60%.

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

Compared to other European countries, the Dutch market has a relatively high degree of mortgage indebtedness. The Dutch tax system gives an incentive to home-owners to maximise their mortgage loan through tax deductibility of mortgage interest payments. Because borrowers tend to take full advantage of the tax system, this leads to a relatively high average mortgage-debt-to-GDP ratio in the Netherlands, which was ca. 111% in 2011. However, when including the pension fund and life insurances, the 'net household savings'-to-GDP ratio shows that the Dutch save more than they borrow.

The borrowing capacity of households increased

Dutch commercial banks determine the theoretical maximum borrowing capacity of a household by calculating the percentage of the disposable household income that is expended on repayments and interest payments. The borrowing capacity of households used to be based on one household salary. Since the early 1990s, a second household salary is also being taken into account in part. This has resulted in a substantial increase in the borrowing capacity of households with double income.

In 2011, the code of conduct mortgage lenders adhere to when granting mortgages was revised. This revision of the code of conduct brought a tightening of the underwriting criteria. The main changes concerned the lowering of the interest-only part of a mortgage loan to 50% of the market value of the property, and a maximum loan amount of 106% (104% + 2% transfer tax) of the market value of the property. The latter differs slightly from the previous standard of 125% of the foreclosure value, assuming that the foreclosure value amounts to 85% of the market value.

Default losses have always been relatively low

Despite relatively high LTV ratios, default losses have always been relatively low compared to other European countries. Several causes for these low losses can be indicated:

The Netherlands has a well-developed credit culture, making it socially unacceptable not to service debt. In addition, BKR registers negative credit events on all types of credit; the small size of the country enables people to change jobs without moving; conveyance fees and taxes are ca. 6% of total price, limiting mobility; mortgage lending is usually carried out by a bank's local branch and intermediaries, this local branch is likely to provide a full range of banking services to the customer, giving it extensive knowledge of the customer, which typically limits the likelihood of default; under Dutch law the lender is able to seize a portion of the borrower's earnings from his employer in cases where the borrower defaults.

The tax system operates as a strong disincentive for prepayment

Prepayments in the Netherlands have always been relatively low. The most important explanation for low prepayments is the deductibility of mortgage interest payments. Prepayment will lead to a loss of the tax advantage offered to borrowers. Moreover, prepayment penalties are severe, although the penalty is tax deductible for the borrower. Lending legislation in the Netherlands allows a borrower to prepay up to 10% - 20% a year of the original amount that has been borrowed without incurring a prepayment penalty. Full prepayment without penalty is only possible in cases of moving home and in cases of death. A borrower can also prepay his mortgage on an interest-reset date without incurring a penalty.

Market players

Banks are the most dominant players on the Dutch mortgage market

The traditional mortgage lenders are either commercial banks or specialised mortgage banks. Mortgage lenders can also be found among building societies, insurance companies and pension funds. Research by the Dutch Central Bank shows the Dutch mortgage market to be highly competitive. In the 1980's, commercial banks lost market share to other financial institutions, notably insurance companies. Since the early 1990s, however, the market share of the commercial banks is increasing again. Competition among lenders is based on product innovation, extension of distribution channels, cross-selling and price competition.

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

In the last 10 years, many large and independent chains of mortgage intermediaries have come into existence. Refinancing transactions in particular seem to be stimulated by this market trend. Because of the increasing role of intermediaries, the traditional mortgage lenders have lost a part of their advisory role.

Government policy and restrictions

Mortgage interest payments are tax deductible to a certain limit

In the Netherlands, in the past it was possible to deduct all mortgage interest payments from taxable income. However, the new Dutch tax system introduced in January 2001 limits tax deductibility for mortgage interest payments for primary residences only. Moreover, it limits the period for deductibility of interest payments to 30 years. The '*Bijleenregeling*,' or additional loan regulation, is relevant in cases of moving home and only grants additional tax deductibility of mortgage interest payments for a mortgage amount equal to the additional expenditure on the new home. The Dutch government also levies a property tax, the so-called '*Huurwaardeforfait*', on home-owners. This only partly offsets the tax advantage of the interest payment deduction.

Due to tax deductibility, a large portion of the mortgage loan does not amortise during the legal lifetime. In most cases the bullet redemption is made by a life insurance policy, an investment policy or a savings insurance policy. The most common term of legal life is 30 years, which coincides with the maximum allowable period for tax deductibility.

The government encourages this method of redemption by tax exemption of the capital sum received under the policy (up to a certain amount) including annual indexing, provided the term of insurance is at least 20 years. In addition, the (deemed) income in respect of insurance policies is exempted from Dutch income tax.

After the fall of the Dutch government in the spring of 2012, a collection of parliamentary parties agreed an austerity budget for the Netherlands, compliant with the Euro zone requirements. The main plans for the Dutch housing market are as follows:

- 1) For existing home-owners, the tax-deductibility of mortgage interest is maintained
- 2) As of January 2013, new mortgages taken out need to have a principal paying component (at least on an annuity basis) over the life-time of the mortgage loan in order to be eligible for tax-deductibility of interest payments
- 3) The loan-to-value will be gradually reduced to 100% of the market value of the property
- 4) To encourage activity in the housing market, the transfer tax on residential property will be permanently reduced to 2%.

7. PORTFOLIO DOCUMENTATION

7.1 PURCHASE, REPURCHASE AND SALE

Under the Mortgage Receivables Purchase Agreement, the Issuer will purchase the Relevant Mortgage Receivables and will accept the assignment of the Relevant Mortgage Receivables and the Beneficiary Rights relating thereto from each Seller by means of a registered Deed of Assignment and Pledge as a result of which legal title to the Relevant Mortgage Receivables and the Beneficiary Rights relating thereto is transferred to the Issuer. The assignment of the Relevant Mortgage Receivables and the Beneficiary Rights relating thereto from each Seller to the Issuer will not be notified to the Borrowers and the relevant Insurance Companies, except upon the occurrence of any Assignment Notification Event. Until such notification the Borrowers will only be entitled to validly pay ("*bevrijdend betalen*") to the relevant Seller. The Issuer will be entitled to all principal proceeds in respect of the Mortgage Receivables and to all interest (including Prepayment Penalties and penalty interest) in respect of the Mortgage Receivables as of the Cut-Off Date. Each Seller will pay or procure that the Collection Foundation will pay to the Issuer on each Mortgage Collection Payment Date all proceeds received during the immediately preceding Mortgage Calculation Period in respect of the Relevant Mortgage Receivables.

Purchase Price

The purchase price for the Mortgage Receivables shall consist of the Initial Purchase Price which shall be payable on the Closing Date or, in case of New Mortgage Receivables on the relevant Notes Payment Date and the Deferred Purchase Price. The Initial Purchase Price in respect of the Mortgage Receivables purchased on the Closing Date will be EUR 526,499,982.69, which is equal to the aggregate Outstanding Principal Amount of the Mortgage Receivables at the Cut-Off Date. The Deferred Purchase Price shall be equal to the sum of all Deferred Purchase Price Instalments.

Mandatory Repurchase

In the Mortgage Receivables Purchase Agreement, each of the Sellers has undertaken to repurchase and accept reassignment of a Relevant Mortgage Receivable on the Mortgage Collection Payment Date immediately following:

- (i) the expiration of the relevant remedy period (as provided for in the Mortgage Receivables Purchase Agreement), if any of the representations and warranties given by such Seller in respect of the Relevant Mortgage Loans and the Relevant Mortgage Receivables, including the representation and warranty that the Relevant Mortgage Loans or, as the case may be, the Relevant Mortgage Receivables meet certain mortgage loan criteria, are untrue or incorrect in any material respect; or
- (ii) the date on which the relevant Seller agrees with a Borrower to grant a Further Advance; or
- (iii) the date on which the relevant Seller obtains or acquires an Other Claim in respect of such Relevant Mortgage Receivable vis-à-vis the relevant Borrower; or
- (iv) the date on which the relevant Seller agrees with a Borrower to a Mortgage Loan Amendment, provided that if such amendment is made as part of the enforcement procedures to be complied with upon a default by the Borrower under the Relevant Mortgage Loan or is otherwise made as part of a restructuring or renegotiation of such Relevant Mortgage Loan due to a deterioration of the credit quality of the Borrower of such Relevant Mortgage Loan such Seller shall not repurchase such Relevant Mortgage Receivable.

The purchase price for the Relevant Mortgage Receivable in such event will be equal to the Outstanding Principal Amount, together with due and overdue interest and reasonable costs, if any (including any costs incurred by the Issuer in effecting and completing such purchase and assignment), accrued up to (but excluding) the date of repurchase and reassignment of the Relevant Mortgage Receivable, provided that in case of the Mortgage Loan Amendment, that with respect to Mortgage Receivables which are in arrears for a period exceeding 90 days or in respect of which an instruction has been given to the civil-law notary to publicly sell the Mortgaged Assets, the purchase price shall be at least the lesser of (i) the sum of (a) an amount equal to the appraised foreclosure value (which appraisal may not be older than three months) of such Mortgaged Assets and (b) the value of all other collateral and (ii) the sum of the Outstanding Principal Amount of the Mortgage Receivable, together with accrued interest due but unpaid, if any, and any other amounts due under the Mortgage Receivable.

Sellers Clean-Up Call Option

On each Notes Payment Date the Sellers, acting jointly, have the right to exercise the Sellers Clean-Up Call Option. The Issuer has undertaken in the Mortgage Receivables Purchase Agreement to sell and assign the Relevant Mortgage Receivables to the relevant Seller(s), or any third party appointed by the relevant Seller at its sole discretion, in case the Sellers, acting jointly, exercise the Sellers Clean-Up Call Option.

Regulatory Call Option

On each Notes Payment Date the Issuer has the option to exercise, upon the direction of NIBC, the Regulatory Call Option upon the occurrence of a Regulatory Change in which case the Sellers have an obligation to repurchase the Relevant Mortgage Receivables. A "**Regulatory Change**" will be a change published on or after 22 September 2010 in the Basel Capital Accord promulgated by the Basel Committee on Banking Supervision (the "**Basel Accord**") or in the international, European or Dutch regulations, rules and instructions (which includes the solvency regulation on securitisation of the Dutch Central Bank) (the "**Bank Regulations**") applicable to NIBC (including any change in the Bank Regulations enacted for purposes of implementing a change to the Basel Accord) or a change in the manner in which the Basel Accord or such Bank Regulations are interpreted or applied by the Basel Committee on Banking Supervision or by any relevant competent international, European or national body (including any relevant international, European or Dutch Central Bank or other competent regulatory or supervisory authority) which, in the opinion of NIBC, has the effect of adversely affecting the rate of return on capital of NIBC or increasing the cost or reducing the benefit to NIBC with respect to the transaction contemplated by the Notes.

The Sellers have undertaken in the Mortgage Receivables Purchase Agreement to repurchase and accept reassignment of the Relevant Mortgage Receivables, if the Issuer upon the direction of NIBC exercises the Regulatory Call Option, or alternatively the Sellers may appoint a third party at their discretion and the Issuer has undertaken in the Mortgage Receivables Purchase Agreement to sell and assign the Mortgage Receivables to such third party.

Sale of Mortgage Receivables

Under the terms of the Trust Deed, the Issuer will have the right to sell and assign all but not some of the Mortgage Receivables on each Optional Redemption Date, provided that the Issuer shall apply the proceeds of such sale to redeem the Notes, other than the Class F Notes, in full, subject to, in respect of the Subordinated Notes, Condition 9(b) (see Condition 6(e)) (see also *Risk that the Issuer will not exercise its right to redeem the Notes at the Optional Redemption Dates* in *Risk Factors* above). The Notes, other than the Class A Notes, can be redeemed at an amount less than their Principal Amount Outstanding (see Conditions 6 and 9(b) in *Conditions* below).

For the avoidance of doubt, balances standing on the Reserve Account can be used to redeem the Notes as well, provided that all items ranking higher than the repayment of principal on the relevant Class of Notes in the applicable priority of payments (including the expenses of the Issuer and interest on the other Classes of Notes) have been paid in full.

Under the terms of the Trust Deed, the Issuer will also have the right to sell and assign all, but not some, of the Mortgage Receivables, if the Issuer exercises its option to redeem the Notes for tax reasons or regulatory reasons in accordance with Condition 6. If the Issuer decides to offer for sale the Mortgage Receivables on an Optional Redemption Date or for tax reasons or for regulatory reasons as described above, the Issuer will first offer such Mortgage Receivables to the relevant Sellers. Furthermore, under the terms of the Mortgage Receivables Purchase Agreement, (i) the Issuer shall be obliged to sell and assign the Mortgage Receivables to the relevant Seller, or any third party appointed by the relevant Seller at its sole discretion, if the Sellers, acting jointly, exercise the Sellers Clean-Up Call Option, and (ii) the Sellers shall be obliged to repurchase and accept reassignment of the Mortgage Receivables, or alternatively the Sellers may appoint any third party jointly at their discretion, following which the Issuer shall be obliged to sell and assign the Mortgage Receivables to such third party if the Issuer, at the direction of NIBC, exercises the Regulatory Call Option.

Repurchase Price

The purchase price of each Mortgage Receivable in the event of each Sellers Clean-Up Call Option, Clean-Up Call Option, the Regulatory Call Option, the Tax Call Option or optional redemption of the Notes, shall be at least equal to the relevant Outstanding Principal Amount at such time, increased with interest due but not paid and reasonable costs relating thereto, except that with respect to Mortgage Receivables which are in

arrears for a period exceeding 90 days or in respect of which an instruction has been given to the civil-law notary to publicly sell the Mortgaged Assets, the purchase price shall be at least the lesser of (i) the sum of (a) an amount equal to the appraised foreclosure value (which appraisal may not be older than three months) of such Mortgaged Assets and (b) the value of all other collateral and (ii) the sum of the Outstanding Principal Amount of the Mortgage Receivable, together with accrued interest due but unpaid, if any, and any other amounts due under the Mortgage Receivable.

Assignment Notification Events

if – *inter alia* –:

- (a) a default is made by any of the Sellers in the payment on the due date of any amount due and payable by the relevant Seller under the Mortgage Receivables Purchase Agreement or under any Transaction Document to which it is a party and such failure is not remedied within 10 Business Days after notice thereof has been given by the Issuer or the Security Trustee to the relevant Seller; or
- (b) any of the Sellers fails duly to perform or comply with any of its obligations under the Mortgage Receivables Purchase Agreement or under any of the Transaction Documents (as defined in Condition 3) to which it is a party and such failure, if capable of being remedied, is not remedied within 20 Business Days after notice thereof has been given by the Issuer or the Security Trustee to the relevant Seller; or
- (c) any representation, warranty or statement made or deemed to be made by any of the Sellers in the Mortgage Receivables Purchase Agreement, other than those relating to the Relevant Mortgage Loans and the Relevant Mortgage Receivables, or under any of the Transaction Documents to which the relevant Seller is a party or in any notice or other document, certificate or statement delivered by it pursuant thereto proves to have been, and continues to be after the expiration of any applicable grace period, untrue or incorrect in any material respect; or
- (d) any Seller has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for its entering into emergency regulations ("*noodregeling*") as referred to in Chapter 3 of Wft as amended from time to time, or (preliminary) suspension of payments ("*voorlopige surseance van betaling*"), or for bankruptcy ("*faillissement*") or for any analogous insolvency proceedings under any applicable law or for the appointment of a receiver or a similar officer of it or of any or all of its assets; or
- (e) any of the Sellers has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for its dissolution ("*ontbinding*") and liquidation ("*vereffening*") or legal demerger ("*juridische splitsing*") or its assets are placed under administration ("*onder bewind gesteld*"); or
- (f) any of the Sellers has given materially incorrect information or not given material information which was essential for the Issuer and the Security Trustee in connection with the entering into of the Mortgage Receivables Purchase Agreement and/or any of the other Transaction Documents; or
- (g) the indirect shareholding interest of NIBC in any of the Sellers falls at any time below 51 per cent., unless the Security Trustee has received Credit Rating Agency Confirmation; or
- (h) the long-term senior unsecured, unsubordinated and unguaranteed debt obligations of NIBC are assigned a rating of less than BB+ by Fitch or Ba1 by Moody's or any such rating is withdrawn; or
- (i) the Collection Foundation holding the bank account into which payments under the Mortgage Receivables are made has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for its entering into suspension of payments or for bankruptcy or for any analogous insolvency proceedings under any applicable law or for the appointment of a receiver or a similar officer of it; or
- (j) a Pledge Notification Event has occurred,

(any event which is or may become (with the lapse of time and/or the giving of notice and/or the making of any determination) one of these events, an "**Assignment Notification Event**") then the Sellers to which the Assignment Notification Event relates shall, unless the Security Trustee delivers an Assignment Notification Stop Instruction:

(i) notify the Borrowers of the Relevant Mortgage Loans and any other relevant parties indicated by the Issuer and/or the Security Trustee of the assignment of the Relevant Mortgage Receivables to the Issuer or, at its option, the Issuer shall be entitled to make such notifications itself;

(ii) notify the relevant Insurance Company of the assignment of the Beneficiary Rights relating to the Relevant Mortgage Receivables and use its best efforts to obtain the co-operation from the relevant Insurance Companies and all other parties (a) (i) to waive its rights as first beneficiary under the relevant Life Insurance Policies (to the extent such rights have not been waived), (ii) to appoint as first beneficiary under the relevant Life Insurance Policies (to the extent such appointment is not already effective) (x) the Issuer subject to the dissolving condition of the occurrence of a Pledge Notification Event and (y) the Security Trustee under the condition precedent of the occurrence of a Pledge Notification Event and (b) with respect to Life Insurance Policies whereby the initial appointment of the first beneficiary has remained in force as a result of the instructions of such beneficiary to the relevant Insurance Company to make any payments under the relevant Life Insurance Policy to the relevant Seller, to convert the instruction given to the Insurance Companies to pay the insurance proceeds under the relevant Life Insurance Policy in favour of the relevant Seller towards repayment of the Relevant Mortgage Receivables into such instruction in favour of (x) the Issuer under the dissolving condition of the occurrence of a Pledge Notification Event and (y) the Security Trustee under the condition precedent of the occurrence of a Pledge Notification Event, the Security Trustee; and

(iii) if so requested by the Security Trustee and/or the Issuer, make the appropriate entries in the relevant public registers ("*Dienst van het Kadaster en de Openbare Registers*") relating to the assignment of the Relevant Mortgage Receivables, also on behalf of the Relevant Mortgage Receivables, also on behalf of the Issuer, or, at its option, the Issuer or the Security Trustee shall be entitled to make such entries itself, for which entries each of the Sellers herewith grant an irrevocable power of attorney to the Issuer and the Security Trustee.

(such actions together the "**Assignment Actions**")

"**Assignment Notification Stop Instruction**" means that upon the occurrence of an Assignment Notification Event, the Security Trustee shall, after having notified the Credit Rating Agencies, be entitled to deliver a written notice to the relevant Seller (copied to the Issuer) instructing the relevant Seller not to undertake the Assignment Actions or to take any actions other than the Assignment Actions.

Set-off by Borrowers

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

7.2 REPRESENTATIONS AND WARRANTIES

Each of the Sellers will represent and warrant on the Closing Date with respect to the Relevant Mortgage Receivables, the Relevant Mortgage Loans and the Beneficiary Rights relating thereto, *inter alia*:

- (a) the Relevant Mortgage Receivable and the Beneficiary Rights relating thereto is duly and validly existing and is not subject to annulment or dissolution as a result of circumstances which have occurred prior to or on the Closing Date or, in the case of New Mortgage Receivables, the relevant Notes Payment Date;
- (b) the relevant Seller has full right and title to the Relevant Mortgage Receivables and the Beneficiary Rights relating thereto and it has power ("*is beschikkingsbevoegd*") to sell and assign the Relevant Mortgage Receivables and the Beneficiary Rights relating thereto and no restrictions on the sale and transfer of the Relevant Mortgage Receivables and the Beneficiary Rights relating thereto are in effect and the Relevant Mortgage Receivables are capable of being transferred or pledged;
- (c) the Relevant Seller has not been notified and is not aware of anything affecting its title to the Relevant Mortgage Receivables and the Beneficiary Rights relating thereto;
- (d) the Relevant Mortgage Receivables and the Beneficiary Rights relating thereto are free and clear of any encumbrances and attachments ("*beslagen*") and no option to acquire the Relevant Mortgage Receivables and the Beneficiary Rights relating thereto has been granted by it in favour of any third party with regard to the Relevant Mortgage Receivables and the Beneficiary Rights relating thereto;
- (e) each Relevant Mortgage Receivable is secured by a first ranking or first and sequential lower ranking mortgage right ("*hypotheekrecht*") on a Mortgaged Asset used for a residential purpose in the Netherlands and is governed by Dutch law;
- (f) each mortgage deed used by any of the Originators in respect of a Relevant Mortgage Loan originated after 1 January 1999 contains provisions that in case of assignment of a Relevant Mortgage Receivable to a third party, the Mortgage or right of pledge will partially follow, pro rata, the Mortgage Receivable if it is assigned to a third party;
- (g) each Mortgaged Asset concerned was valued (i) by an independent qualified valuer, or (ii) in the case the valuation of the Relevant Mortgage Loans was based on an assessment by the Netherlands tax authorities on the basis of the Act on Valuation of Real Property ("*Wet Waardering Onroerende Zaken*") the Original Foreclosure Value did not exceed 90% of such valuation by the Netherlands tax authorities. Valuations by an independent qualified valuer are not older than twelve months prior to the date of the mortgage application by the Borrower. In certain cases, newly built Mortgaged Assets are exempted from valuation requirements. No revaluation of the Mortgaged Assets has been made for the purpose of the securitisation transaction described in this Prospectus;
- (h) each Relevant Mortgage Receivable and each mortgage right and right of pledge, if any, securing such receivable constitute legal, valid, binding and enforceable obligations of the relevant Borrower vis-à-vis the relevant Seller;
- (i) all mortgage rights and rights of pledge granted to secure the Relevant Mortgage Receivables (i) constitute valid mortgage rights ("*hypotheekrechten*") and rights of pledge ("*pandrechten*") respectively on the Mortgaged Assets and the assets which are the subject of the rights of pledge respectively and, to the extent relating to the mortgage rights, entered into the appropriate public register ("*Dienst van het Kadaster en de Openbare Registers*"), (ii) have first priority or first and sequentially lower ranking priority and (iii) were vested for a principal sum which is at least equal to the Outstanding Principal Amount of the Relevant Mortgage Loan when originated, increased with interest, penalties, costs and any insurance premium paid by the relevant Originator on behalf of the Borrower, up to an amount equal to at least 30 per cent. of such Outstanding Principal Amount since 2002, therefore in total up to a maximum amount equal to 130 per cent. of the Outstanding Principal Amount of the Relevant Mortgage Receivable;
- (j) the maximum Outstanding Principal Amount of each Mortgage Loan, or all Mortgage Loans secured on the same Mortgaged Asset, as the case may be, originated in and after August 2011 did not at origination exceed 104 per cent. of the Original Market Value of the relevant Mortgaged Assets, which may, where applicable, be supplemented by the stamp duty payable under the Dutch Legal Transactions (Taxation) Act upon its creation;
- (k) each of the Relevant Mortgage Loans has been granted, and each of the mortgage rights and rights of pledge has been vested, subject to the general terms and conditions and in the forms of mortgage deeds attached to the Mortgage Receivables Purchase Agreement;

- (l) each of the Relevant Mortgage Loans and each of the Life Insurance Policies offered by it has been granted in accordance with all applicable legal requirements prevailing at the time of origination in all material respects, and with the Code of Conduct on Mortgage Loans ("*Gedragcode Hypothecaire Financieringen*") and the relevant Originators standard underwriting criteria and procedures, including borrower income requirements, prevailing at that time and these underwriting criteria and procedures are in a form as may reasonably be expected from a lender of Dutch residential mortgages;
- (m) with respect to Investment Mortgage Loans, the relevant investments held in the name of the relevant Borrower have been validly pledged to the relevant Seller and the securities are purchased on behalf of the relevant Borrower by:
 - (i) 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 in the name of the relevant Borrower through a bank (see the next paragraph) or a separate securities giro ("*effectengiro*"); or
 - (ii) a bank, which is by law obliged to (x) administer the securities through a separate depositary vehicle and/or (y) only administer securities the transfer of which is subject to the Wge;
- (n) each of the Life Mortgage Loans has the benefit of a valid right of pledge on the rights under a Life Insurance Policy and either (i) the relevant Seller has been validly appointed as beneficiary ("*begunstigde*") under such Life Insurance Policies upon the terms of such Life Mortgage Loans and the relevant Life Insurance Policies, which has been notified to the relevant Insurance Companies, or (ii) the relevant Insurance Company is irrevocably authorised to apply the insurance proceeds in satisfaction of such Life Mortgage Receivable;
- (o) each receivable under a mortgage loan ("*hypothecaire lening*") which is secured by the same mortgage right is sold and assigned to the Issuer pursuant to the Mortgage Receivables Purchase Agreement;
- (p) each Relevant Mortgage Loan constitutes the entire mortgage loan granted to the relevant Borrower and not merely one or more loan parts ("*leningdelen*");
- (q) to the best of its knowledge, the Borrowers are not in any material breach of any provision of their Relevant Mortgage Loans;
- (r) with respect to the Relevant Mortgage Receivables secured by a mortgage right on a long lease ("*erfpacht*"), the Relevant Mortgage Loan (a) has a maturity that is equal to or shorter than the term of the long lease and/or, if the maturity date of the Relevant Mortgage Loan falls after the maturity date of the long lease, the acceptance conditions used by the relevant Seller provide that certain provisions should be met and (b) becomes due if the long lease terminates for whatever reason;
- (s) it is a requirement under the mortgage conditions that each of the Mortgaged Assets had, at the time the Relevant Mortgage Loan was advanced, the benefit of buildings insurance ("*opstalverzekering*") for the full reinstatement value ("*herbouwwaarde*");
- (t) the mortgage conditions applicable to the Relevant Mortgage Loans provide that all payments by the Borrowers should be made without any set-off;
- (u) each Relevant Mortgage Loan meets the Mortgage Loan Criteria as set forth below;
- (v) under each of the Relevant Mortgage Receivables interest and, if applicable, principal due in respect of at least one month has been paid by the relevant Borrower;
- (w) in respect of each relevant Life Mortgage Loan to which a Life Insurance Policy is connected other than (i)(a) with Erasmus Leven (a trade name of Delta Lloyd Levensverzekering N.V.), SRLEV N.V. to the extent it is a legal successor of Axa Leven N.V., Generali Levensverzekering Maatschappij N.V., or (b) with Goudse Levensverzekeringen N.V. (formally known as Goudse Levensverzekering Maatschappij N.V.), Achmea Pensioen- en Levensverzekering N.V., to the extent originated by Hypinvest, or (c) with Allianz Nederland Levensverzekering N.V., to the extent originated by Royal, or (d) with SRLEV N.V., to the extent originated by Seyst, or (ii) if the Relevant Life Mortgage Receivable is sold by Amstelstaete, to the extent these Life Mortgage Loans have been originated by an Originator which is not the Seller and have been transferred to Amstelstaete, (I) the relevant Life Mortgage Loans and the Life Insurance Policies are not marketed as one combined mortgage and life insurance product or under one name, (II) the Borrowers are free to choose the relevant Life Insurance Company, (III) to the best of its knowledge there are no circumstances resulting in a connection between the relevant Life Mortgage Loan and the relevant Life Insurance Policy other than the relevant Borrower Insurance Pledge and the relevant Beneficiary Rights, which would increase the Insurance Set-off Risk and (IV) the Insurance Company is not a group company of the relevant Originator;

- (x) each Relevant Mortgage Loan was originated by any of the Originators and, to the extent it was not originated by the relevant Seller, (i) subsequently transferred by means of a contract transfer to which the relevant Borrowers have not abstained their cooperation and (ii) no longer secures any other claims of the relevant Originator after such contract transfer;
- (y) on the Cut-Off Date, or in case of New Mortgage Receivables the relevant Notes Payment Date, no amounts due under any of the Relevant Mortgage Receivables were unpaid;
- (z) (A) any savings account of the Borrower held with NIBC and the Relevant Mortgage Loan are offered in such manner that it should be clear to the Borrower that (i) such savings account is held with NIBC, (ii) the Relevant Mortgage Loan is granted by the relevant Originator and (iii) NIBC and the relevant Originator are different legal entities and (B)(i) neither NIBC nor any intermediary offer any savings accounts or the term deposits as products which are in any way connected with the Relevant Mortgage Loans, (ii) the Relevant Mortgage Loan is not connected to any savings account or any term deposit with NIBC, for example by means of set-off provisions, (iii) the Relevant Mortgage Loan are not offered at the same time with a savings account or the term deposit with NIBC, and (iv) no rights under a savings account or term deposit with NIBC will be pledged to the Seller as security for the Relevant Mortgage Loan;
- (aa) it has no Other Claim vis-à-vis any Borrower;
- (bb) the principal sum was in case of each of the Relevant Mortgage Loans fully disbursed to the relevant Borrower whether or not through the relevant civil law notary and no amounts are held in deposit with respect to premia and interest payments ("*rente en premiedepots*") or construction deposit ("*bouwdepots*");
- (cc) the aggregate Outstanding Principal Amount of all Mortgage Receivables on the Cut-Off Date is equal to the Initial Purchase Price;
- (dd) interest payments in respect of the Mortgage Receivables by the Borrowers are executed by way of direct debit procedures;
- (ee) the notarial Mortgage Deeds ("*minuut*") relating to the Mortgages are kept by a civil law notary in the Netherlands and are registered in the appropriate registers, while the Loan Files, which include certified copies of the notarial Mortgage Deeds, are kept on behalf of it by the Servicer;
- (ff) none of the Borrowers had a negative BKR registration ("*BKR codering*") upon origination;
- (gg) none of the Borrowers holds a savings account, current account or term deposit with the Sellers or its subsidiaries
- (hh) payments in respect of the Relevant Mortgage Receivables by the Borrowers are made directly into the Collection Foundation Account;
- (ii) it can be determined in its administration which Beneficiary Rights relate to which Relevant Mortgage Receivables; and
- (jj) payments made under the Mortgage Receivables are not subject to withholding tax.

7.3 MORTGAGE LOAN CRITERIA

Each of the Mortgage Loans will meet the following criteria (the "**Mortgage Loan Criteria**") on the Cut-Off Date:

- (i) the Mortgage Loans are either:
 - a) Interest-only Mortgage Loans ("*aflossingsvrije hypotheek*");
 - b) Investment Mortgage Loans ("*beleggingshypotheek*");
 - c) Life Mortgage Loans ("*levenhypotheek*");
 - d) Linear Mortgage Loans ("*lineaire hypotheek*");
 - e) Annuity Mortgage Loans ("*annuïteitenhypotheek*");
 - f) Mortgage Loans which combine any of the above mentioned types of mortgage loans;
- (ii) the Borrower is a private individual, a resident of the Netherlands and not an employee of any of the Sellers;
- (iii) each Mortgage Loan is secured by a first ranking mortgage right or, in case of Mortgage Loans secured on the same property, first and sequentially lower ranking mortgage rights;
- (iv) each Mortgage Loan is (until the reset date, if applicable) either (i) a Mortgage Loan that has a fixed interest rate for a period of 1 to 30 years (following the expiry of the fixed term which will reset onto another fixed rate for a following period of 1-30 years or will become a Floating Rate Mortgage) ("**Fixed Rate Mortgage**") or (ii) a Mortgage Loan that has an interest rate which resets monthly or quarterly ("**Floating Rate Mortgage**");
- (v) each Mortgaged Asset is not the subject of residential letting and is occupied by the Borrower at the moment of (or shortly after) origination;
- (vi) interest payments are scheduled to be made monthly or quarterly;
- (vii) the maximum Outstanding Principal Amount of each Mortgage Loan, or all such Mortgage Loans secured by the same Mortgaged Asset together, has not exceeded 125 per cent. of the Original Foreclosure Value of the Mortgaged Asset as determined in the most recent valuation report, or 130 per cent. of the Original Foreclosure Value of the Mortgaged Asset if the excess over 125 per cent. is used for payment of income protection insurance;
- (viii) no Mortgage Loan or part thereof qualifies as a bridge loan ("*overbruggingshypotheek*");
- (ix) each Mortgaged Asset is located in the Netherlands;
- (x) on the Cut-Off Date or, in the case of New Mortgage Loans, the first day of the month preceding the relevant Notes Payment Date on which the Issuer purchased such New Mortgage Loans, no amounts due under any of the Mortgage Loans acquired on such date were overdue and unpaid;
- (xi) none of the Mortgage Loans has a maturity date beyond 1 August 2042;
- (xii) all Mortgaged Assets are single family houses (with garage), farm houses, apartment rights ("*appartementsrechten*") or commercial residences ("*woon-winkelpanden*");
- (xiii) the Outstanding Principal Amount of each Mortgage Loan or the aggregate Outstanding Principal Amount of all Mortgage Loans secured on the same property does not exceed EUR 750,000;
- (xiv) in respect of each Mortgage Loan at least one (interest) payment has been received prior to the Closing Date;
- (xv) the Mortgage Receivable has not been based on a self-certified income statement or advisor-verified income statement of the Borrower;
- (xvi) for each Mortgage Loan, the cumulative principal amount of the loan (parts) that qualifies as an Interest-only Mortgage Loan did not exceed 100 per cent. of the Original Foreclosure Value; and
- (xvii) none of the Borrowers has a negative BKR registration ("*BKR codering*") upon origination.

7.4 PORTFOLIO CONDITIONS

Substitution

The Mortgage Receivables Purchase Agreement will provide that the Issuer shall on each Notes Payment Date up to (but excluding) the Final Maturity Date use the Substitution Available Amount, subject to the satisfaction of the Substitution Conditions, to purchase and accept the assignment of the New Mortgage Receivables from any of the Sellers, if and to the extent offered by any of the Sellers. The purchase price payable by the Issuer as consideration for any New Mortgage Receivables shall be equal to the Initial Purchase Price in respect thereof and the relevant part of the Deferred Purchase Price at the date of completion of the sale and purchase thereof.

Substitution Conditions

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

- (a) the relevant Seller will represent and warrant to the Issuer and the Security Trustee the matters set out in the clauses providing for the representations and warranties relating to the Relevant Mortgage Loans, the Relevant Mortgage Receivables and the relevant Seller in the Mortgage Receivables Purchase Agreement with respect to the New Mortgage Receivables sold and relating to the relevant Seller (with certain exceptions to reflect that the New Mortgage Receivables are sold and may have been originated after the Closing Date);
- (b) no Assignment Notification Event has occurred and is continuing;
- (c) not more than 1.0 per cent. of the aggregate Outstanding Principal Amount of the Mortgage Loans is in arrears for a period exceeding 60 days;
- (d) the weighted average of the aggregate proportions of the Original Loan to Original Foreclosure Value Ratio in respect of each Mortgage Loan and New Mortgage Loan may not increase as a result of the sale and purchase of New Mortgage Receivables (for the avoidance of doubt, on an weighted average and aggregate basis in respect of all Mortgage Loans);
- (e) the aggregate Outstanding Principal Amount of the New Mortgage Receivables purchased by the Issuer (starting from the Closing Date) shall not exceed 15 per cent. of the aggregate Principal Amount Outstanding of the Notes on the Closing Date. The Issuer and NIBC on behalf of the relevant Seller may agree to a higher percentage, subject to the Swap Counterparty Confirmation and the Credit Rating Agency Confirmation;
- (f) the aggregate Outstanding Principal Amount of the Interest-only Mortgage Loan as a percentage of the aggregate Principal Amount Outstanding of all Mortgage Loans shall not increase by more than 1.0 per cent. compared to the percentage at Closing as a result of the sale and purchase of New Mortgage Receivables;
- (g) there has been no failure by any of the Sellers to repurchase any Relevant Mortgage Receivable which it is required to repurchase pursuant to the Mortgage Receivables Purchase Agreement;
- (h) the Substitution Available Amount is sufficient to pay the purchase price for the relevant New Mortgage Receivables;
- (i) the New Mortgage Receivable has not been granted to a self employed, unemployed or retired borrower;
- (j) there is no debit balance on the Principal Deficiency Ledger; and
- (k) the aggregate Realised Losses do not exceed 0.4 per cent. of the aggregate Outstanding Principal Amount of the Mortgage Receivables at the Closing Date;

except that Substitution Condition (c) and (f) will not apply if, as a consequence of the purchase of New Mortgage Receivables, in respect of item (c), the percentage of Mortgage Loans in arrears for a period exceeding 60 days is maintained or lowered and, in respect of item (f), the percentage of interest-only Mortgage Loans will be maintained or decrease.

7.5 SERVICING AGREEMENT

Servicing Agreement

In the Servicing Agreement the Servicer will (i) agree to provide management services to the Issuer on a day-to-day basis in relation to the Mortgage Loans and the Mortgage Receivables resulting from such Mortgage Loans, including, without limitation, the collection of payments of principal, interest and other amounts in respect of the Mortgage Receivables, all administrative actions in relation thereto and the implementation of arrears procedures including the enforcement of mortgage rights and any other collateral (see further *Origination and Servicing* above) and (ii) prepare and provide the Issuer Administrator with certain statistical information regarding the Issuer as required by law, for submission to the relevant regulatory authorities. The Servicer will be obliged to manage the Mortgage Loans and the Mortgage Receivables with the same level of skill, care and diligence as mortgage loans in its own or, as the case may be, the Seller's portfolio.

The Servicer will, in accordance with the terms of the Servicing Agreement, initially appoint Stater Nederland B.V. as its sub-agent to carry out (part of) the activities described above.

The Servicing Agreement may be terminated by the Issuer and the Security Trustee, acting jointly, upon the occurrence of certain termination events, including but not limited to, a failure by the Servicer to comply with its obligations (unless remedied within the applicable grace period), dissolution or liquidation of the Servicer or the Servicer being declared bankrupt or granted a suspension of payments or (only in respect of the Servicer) the Servicer no longer holds a licence as intermediary ("*bemiddelaar*") or offeror of credit ("*aanbieder*") under the Wft. In addition the Servicing Agreement may be terminated by the Servicer upon the expiry of not less than six months' notice, subject to written approval of the Issuer and the Security Trustee, which approval may not be unreasonably withheld and subject to Credit Rating Agency Confirmation. A termination of the Servicing Agreement by either the Issuer and the Security Trustee or the Servicer will only become effective if a substitute servicer is appointed.

Stater

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

After starting life as part of BouwfondsHypotheeken, Stater started its activities in January 1997 as an independent service provider in the mortgage market. Stater has since grown to become an international force in the market with circa 800 employees.

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

Stater provides activities consisting of mortgage payment transactions and ancillary activities with regard to a total of more than EUR 170 billion and approximately 970,000 mortgage loans. In the Netherlands, Stater has a market share of about 30 per cent.

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

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

In July 2010, Credit Rating Agency Fitch Ratings upgraded Stater residential "primary servicer" rating to 'RPS1-NL' and has affirmed the residential "special servicer" rating at 'RSS2-NL'. In november 2011 Stater was again awarded with a 'RPS1-NL' rating for "primary servicer". Ratings are awarded on a scale from 1 to 5, with 1 being the highest possible ranking. The rating Stater received for its role as "primary servicer" made Stater the top scoring service provider in Europe.

Ernst & Young, the company's external auditors, completed a SAS 70 audit on Stater NL in 2008. SAS70 is a report for the certification of the internal control processes of service organisations. Stater received SAS70 Type II certification in December 2009, which was reviewed for the reporting period 1 January until 31 October 2009. The certification is renewed annually,. The SAS 70 certification is substituted by ISAE 3402 certification, which has been received in January 2012.

The head office is located at Podium 1, 3826 PA, Amersfoort, theNetherlands.

The information in this section has been provided for by Stater.

8. GENERAL

1. The issue of the Notes has been authorised by a resolution of the managing director of the Issuer passed on or about 28 September 2012.
2. Application has been made to list the Notes (excluding the Class F Notes) on the Euronext Amsterdam. The estimated expenses relating to the admission to trading of the Notes (excluding the Class F Notes) on the regulated market of Euronext Amsterdam are approximately EUR 3,125.
3. The Class A1 Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and will bear common code 083308656 and ISIN XS0833086563.
4. The Class A2 Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and will bear common code 083308915 and ISIN XS0833089153.
5. The Class B Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and will bear common code 083309148 and ISIN XS0833091480.
6. The Class C Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and will bear common code 083309598 and ISIN XS0833095986.
7. The Class D Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and will bear common code 083309709 and ISIN XS0833097099.
8. The Class E Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and will bear common code 083309784 and ISIN XS0833097842.
9. The Class F Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and will bear common code 083309938 and ISIN XS0833099384.
10. There has been no material adverse change in the financial position or prospects of the Issuer since its incorporation on 28 June 2012.
11. There are no legal, arbitration or governmental proceedings and neither is the Issuer nor the Shareholder aware of any such proceedings which may have, or have had, significant effects on the Issuer's or, as the case may be, the Shareholder's financial position or profitability nor, so far as the Issuer and/or the Shareholder is aware, are any such proceedings pending or threatened against the Issuer and the Shareholder, respectively, in the previous twelve months.
12. As long as any of the Notes are outstanding, copies of the following documents may be inspected at the specified offices of the Security Trustee and the Paying Agent during normal business hours and will be available either in physical or in electronic form, as the case may be:
 - (i) the Deed of Incorporation of the Issuer, including its Articles of Association;
 - (ii) the Mortgage Receivables Purchase Agreement;
 - (iii) the Deed of Assignment and Pledge;
 - (iv) the Notes Purchase Agreements;
 - (v) the Paying Agency Agreement;
 - (vi) the Trust Deed;
 - (vii) the Issuer Rights Pledge Agreement;
 - (viii) the Issuer Mortgage Receivables Pledge Agreement;
 - (ix) the Servicing Agreement;
 - (x) the Administration Agreement;
 - (xi) the Swap Agreement;
 - (xii) the Issuer Account Agreement; and
 - (xiii) the Master Definitions Agreement.
13. A copy of the Prospectus (in print) will be available (free of charge) at the registered office of the

Issuer, the Security Trustee and the Paying Agent.

14. The Issuer has not yet commenced operations and as of the date of this Prospectus no financial statements have been produced. As long as the Notes are listed on Euronext Amsterdam the most recent audited annual financial statements of the Issuer will be made available, free of charge from the specified office of the Security Trustee.

15. U.S. taxes:

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

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

16. The Issuer intends to provide the following post-issuance transaction information on the transaction: (i) a monthly investor report on the performance of the Mortgage Receivables, including the arrears and the losses, and a quarterly report on the Notes admitted to trading to be obtained at: www.assetbacked.nl and (ii) the loan by loan data to be issued by the Issuer Administrator.

17. The accountants at PriceWaterhouseCoopers Accountants N.V. are registered accountants ("registeraccountants") and are a member of the Netherlands Institute for Registered Accountants ("NIVRA").

18. NIBC is acting solely in its capacity as listing agent for the Issuer in connection with the Notes (excluding the Class F Notes) and is not itself seeking admission of these Notes to the Official List of Euronext Amsterdam or to trading on its regulated market for the purposes of the Prospectus Directive.

19. Important Information and responsibility statements:

The Issuer is responsible for the information contained in this Prospectus. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Issuer accepts such responsibility accordingly. Any information from third-parties contained and specified as such in this Prospectus has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by that third-party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Sellers are responsible for the information contained in the following sections of this Prospectus: 'Portfolio Information, sub-section 'Stater' under 'Servicing Agreement', the paragraph 'Average life' in 'Transaction Overview' and, together with NIBC, each paragraph dealing with Article 122a of the Capital Requirements Directive. To the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in these paragraphs is in accordance with the facts and does not omit anything likely to affect the import of such information. Each of the Sellers accepts responsibility accordingly.

GLOSSARY OF DEFINED TERMS

1 DEFINITIONS

Except where the context otherwise requires, the following defined terms used in this Prospectus have the meaning set out below:

"Administration Agreement" means the administration agreement between the Issuer, the Issuer Administrator and the Security Trustee dated the Signing Date;

"AFM" means the Netherlands Authority for the Financial Markets ("*Stichting Autoriteit Financiële Markten*");

"All Moneys Mortgage" means any mortgage right ("*hypotheekrecht*") which secures not only the loan granted to the Borrower to purchase the mortgaged property, but also any other liabilities and moneys that the Borrower, now or in the future, may owe to the relevant Originator either (i) regardless of the basis of such liability or (ii) under or in connection with the credit relationship ("*kredietrelatie*") of the Borrower and the Originator;

"All Moneys Pledge" means any right of pledge ("*pandrecht*") which secures not only the loan granted to the Borrower to purchase the mortgaged property, but also any other liabilities and moneys that the Borrower, now or in the future, may owe to the relevant Originator either (i) regardless of the basis of such liability or (ii) under or in connection with the credit relationship ("*kredietrelatie*") of the Borrower and the Originator;

"All Moneys Security Rights" means any All Moneys Mortgages and All Moneys Pledges jointly;

"Amstelstaete" means Amstelstaete Hypotheken B.V.;

"Annuity Mortgage Loan" means a Mortgage Loan or part thereof in respect of which the Borrower pays a fixed monthly instalment, made up of an initially high and thereafter decreasing interest portion and an initially low and thereafter increasing principal portion, and calculated in such manner that such Mortgage Loan will be fully redeemed at its maturity;

"Arranger" means NIBC;

"Assignment Actions" means any of the actions specified as such in section *Purchase, Repurchase and Sale* in *Portfolio Information* of this Prospectus;

"Assignment Notification Event" means any of the events specified as such in section *Purchase, Repurchase and Sale* in *Portfolio Information* of this Prospectus;

"Assignment Notification Stop Instruction" has the meaning ascribed thereto in section *Purchase, Repurchase and Sale* in *Portfolio Information* of this Prospectus;

"Available Principal Funds" has the meaning ascribed thereto in Condition 6(c) (*Redemption*);

"Available Principal Redemption Funds" has the meaning ascribed thereto in Condition 6(c) (*Redemption*);

"Available Revenue Funds" has the meaning ascribed thereto in section *Credit Structure* of this Prospectus;

"Banking Regulations" means the international, European or Dutch banking regulations, rules and instructions;

"**Basel II**" means the capital accord under the title "Basel II: International Convergence of Capital Measurement and Capital Standards: a Revised Framework" published on 26 June 2004 by the Basel Committee on Banking Supervision;

"**Basel III**" means the new rules amending the existing Basel II on bank capital requirements proposed by the Basel Committee on Banking Supervision;

"**Basel Accord**" means the Basel Capital Accord promulgated by the Basel Committee on Banking Supervision;

"**Basic Terms Change**" has the meaning ascribed thereto in Condition (14) (*Meetings of Noteholders; Modification; Consents; Waiver*);

"**Beneficiary Rights**" means all claims which the (relevant) Seller has vis-à-vis the relevant Insurance Company in respect of an Insurance Policy, under which the relevant Seller has been appointed by the Borrower as beneficiary ("*begunstigde*") in connection with the Mortgage Receivable;

"**BKR**" means National Credit Register ("*Bureau Krediet Registratie*");

"**Borrower**" means the debtor or debtors, including any jointly and severally liable co-debtor or co-debtors, of a Mortgage Loan;

"**Borrower Insurance Pledge**" means a right of pledge ("*pandrecht*") created in favour of the relevant Originator on the rights of the relevant pledgor against the relevant Insurance Company under the relevant Insurance Policy securing the relevant Mortgage Receivable;

"**Borrower Insurance Proceeds Instruction**" means the irrevocable instruction by the beneficiary under an Insurance Policy to the relevant Insurance Company to apply the insurance proceeds towards repayment of the same debt for which the relevant Borrower Insurance Pledge was created;

"**Borrower Investment Account**" means, in respect of an Investment Mortgage Loan, an investment account in the name of the relevant Borrower;

"**Borrower Investment Pledge**" means a rights of pledge ("*pandrecht*") on the rights of the relevant Borrower in connection with the Borrower Investment Account in relation to Investment Mortgage Loans to the extent the rights of the Borrower qualify as future claims, such as options ("*opties*");

"**Borrower Pledge**" means a right of pledge ("*pandrecht*") securing the relevant Mortgage Receivable, including a Borrower Insurance Pledge;

"**Business Day**" means (i) when used in the definition of Notes Payment Date and in Condition 4(e) (*Euribor*), a TARGET 2 Settlement Day, provided that such day is also 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 London and (ii) in any other case, a day on which banks are generally open for business in Amsterdam;

"**Capital Requirements Directive**" means Directives 2006/48/EC and 2006/49/EC, as amended by Directive 2009/111/EC, as the same may be amended from time to time;

"**Cash Advance Facility Agreement**" means the cash advance facility agreement between the Cash Advance Facility Provider, the Issuer and the Security Trustee dated the Signing Date;

"**Cash Advance Facility Maximum Amount**" means an amount equal to the greater of (a) (i) 1.50 per cent. of the Principal Amount Outstanding of the Notes, other than the Class F Notes, on such date and (ii) 0.75 per cent. of the Principal Amount Outstanding of the Notes, other than the Class F Notes, as at the Closing Date or (b) any other amount agreed with the Credit Rating Agencies and the Cash Advance Facility Provider;

"Cash Advance Facility Provider" means NIBC;

"Cash Advance Facility Stand-by Account" means the bank account of the Issuer designated as such in the Issuer Account Agreement;

"Cash Advance Facility Stand-by Drawing" means the drawing by the Issuer of the entire undrawn portion under the Cash Advance Facility Agreement if a Cash Advance Stand-by Drawing Event occurs;

"Cash Advance Facility Stand-by Drawing Event" means any of the events specified as such in section *Liquidity Support* in *Credit Structure* in this Prospectus;

"Class A Managers" or **"Lead Managers"** means Credit Suisse Securities (Europe) Limited, Jefferies International Limited and NIBC;

"Class A1 Notes" means the EUR 135,000,000 Senior Class A1 Mortgage-Backed Notes 2012 due 2044;

"Class A2 Notes" means the EUR 365,000,000 Senior Class A2 Mortgage-Backed Notes 2012 due 2044;

"Class A Notes" means any Class A1 Notes and/or Class A2 Notes;

"Class A Notes Purchase Agreement" means the notes purchase agreement between the Class A Managers, the Issuer and the Sellers dated the Signing Date;

"Class B, C, D, E and F Manager" means NIBC;

"Class F Redemption Amount" has the meaning ascribed thereto in Condition 6(i) (*Redemption*);

"Class F Available Principal Funds" has the meaning ascribed thereto in Condition 6(i) (*Redemption*);

"Clean-Up Call Option" means the right of the Issuer to be exercised, if instructed by the Sellers acting jointly, to redeem all of the Notes in whole but not in part, at their Principal Amount Outstanding, which right may be exercised on any Notes Payment Date on which the aggregate Principal Amount Outstanding of the Notes (in the case of a Principal Shortfall in respect of any Class of Notes, less such aggregate Principal Shortfall) is not more than 10 per cent. of the aggregate Principal Amount Outstanding of the Notes on the Closing Date;

"Clearstream, Luxembourg" means Clearstream Banking, société anonyme;

"Closing Date" means 3 October 2012 or such later date as may be agreed between the Issuer and NIBC;

"Collection Foundation" means Stichting Ontvangsten Hypotheekgelden;

"Collection Foundation Account" means the bank account maintained by the Collection Foundation;

"Collection Foundation Account Pledge Agreement" means the pledge agreement between, among others, the Issuer, the Security Trustee, the Previous Transaction SPVs, the Previous Transaction Security Trustees, the Sellers and the Collection Foundation dated 14 September 2012;

"Collection Foundation Agreements" means the Collection Foundation Account Pledge Agreement and the Receivables Proceeds Distribution Agreement;

"Common Safekeeper" means, in respect of the Class A Notes, Euroclear and in respect of the Notes, other than the Class A Notes, BNP Paribas Securities Services, Luxembourg Branch;

"Conditions" means the terms and conditions of the Notes set out in Schedule 5 to the Trust Deed as from time to time modified in accordance with the Trust Deed and, with respect to any Notes represented by a Global Note, as modified by the provisions of the relevant Global Note;

"Coupons" means the interest coupons appertaining to the Notes;

"CPR" means Conditional Prepayment Rate;

"Credit Rating Agency" means any credit rating agency (including any successor to its rating business) who, at the request of the Issuer, assigns, and for as long as it assigns, one or more ratings to the Notes, from time to time, which as at the Closing Date includes Fitch and Moody's;

"Credit Rating Agency Confirmation" means, if the Credit Rating Agencies are notified of a certain event or matter, confirmations in writing from each of the Credit Rating Agencies that the then current ratings of the Notes will not be adversely affected by or withdrawn as a result of such event or matter;

"Cut-Off Date" means 1 August 2012;

"Deed of Assignment and Pledge" means a deed of assignment and pledge in the form set out in the Mortgage Receivables Purchase Agreement;

"Defaulted Mortgage Loan" means a Mortgage Loan that is in arrears for at least 30 days;

"Deferred Purchase Price" means part of the purchase price for the Mortgage Receivables equal to the sum of all Deferred Purchase Price Instalments;

"Deferred Purchase Price Instalment" means, after application of the relevant available amounts in accordance with the relevant Priority of Payments, any amount remaining after all items ranking higher than the item relating to the Deferred Purchase Price have been satisfied;

"Definitive Notes" means Notes in definitive bearer form in respect of any Class of Notes;

"Directors" means ATC Management B.V. as the sole director of each of the Issuer and the Shareholder and ANT Securitisation Services B.V. as the sole director of the Security Trustee collectively;

"DNB" means the Dutch central bank ("*De Nederlandsche Bank N.V.*");

"Enforcement Date" means the date of an Enforcement Notice;

"Enforcement Notice" means the notice delivered by the Security Trustee to the Issuer pursuant to Condition 10 (*Events of Default*);

"EUR or euro" means the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957);

"Euribor" has the meaning ascribed thereto in Condition 4(c) (*Interest*);

"Euribor Reference Banks" has the meaning ascribed thereto in Condition 4(e) (*Interest*);

"Euroclear" means Euroclear Bank SA/NV as operator of the Euroclear System;

"Euronext Amsterdam" means NYSE Euronext in Amsterdam;

"Events of Default" means any of the events specified as such in Condition 10 (*Events of Default*);

"Excess Swap Collateral" has the meaning ascribed thereto in section *Transaction Accounts* in *Credit Structure* in this Prospectus;

"Exchange Date" means the date not earlier than forty (40) days after the issue date of the Notes on which interests in the Temporary Global Notes will be exchangeable for interests in the Permanent Global Notes;

"**Extraordinary Resolution**" has the meaning ascribed thereto in Condition (14) (*Meetings of Noteholders; Modification; Consents; Waiver*);

"**Final Maturity Date**" means the Notes Payment Date falling in October 2044;

"**First Optional Redemption Date**" means the Notes Payment Date falling in October 2017;

"**Fitch**" means Fitch Ratings Ltd., and includes any successor to its rating business;

"**Foreclosure Value**" means the foreclosure value of the Mortgaged Asset;

"**Further Advance**" means a loan or a further advance to be made to a Borrower under a Mortgage Loan, which is secured by the same Mortgage;

"**Further Advance Receivable**" means the Mortgage Receivable resulting from a Further Advance;

"**Global Note**" means any Temporary Global Note or Permanent Global Note;

"**Hypinvest**" means Hypinvest B.V.;

"**ICSDs**" means International Central Securities Depositories;

"**Initial Purchase Price**" means, in respect of any Mortgage Receivable, its Outstanding Principal Amount on (i) the Cut-Off Date or (ii) in case of a New Mortgage Receivable, the first day of the month wherein the relevant New Mortgage Receivable is purchased;

"**Insurance Company**" means any insurance company established in the Netherlands;

"**Insurance Policy**" means a Life Insurance Policy and/or a Risk Insurance Policy;

"**Insurance Set-off Risk**" means the set-off risk as described in the section *Risk of set-off and defences by Borrowers in case of insolvency of Insurance Companies* in this Prospectus;

"**Interest Amount**" has the meaning ascribed thereto in Condition 4(f) (*Interest*);

"**Interest Determination Date**" has the meaning ascribed thereto in Condition 4(e) (*Interest*);

"**Interest-only Mortgage Loan**" means a mortgage loan or part thereof in respect of which the Borrower is not required to repay principal until maturity;

"**Interest-only Mortgage Receivable**" means the Mortgage Receivable resulting from an Interest-only Mortgage Loan;

"**Interest Period**" means the period from (and including) the Closing Date to (but excluding) the Notes Payment Date falling in January 2013 and each successive period from (and including) a Notes Payment Date to (but excluding) the next succeeding Notes Payment Date;

"**Interest Rate**" means the rate of interest applicable from time to time to a Class of Notes as determined in accordance with Condition 4 (*Interest*);

"**Interest Reconciliation Ledger**" means the ledger specifically created for such purpose on the Issuer Collection Account as set forth in the Administration Agreement;

"**Investment Mortgage Loan**" means a mortgage loan or part thereof in respect of which the Borrower is not required to repay principal until maturity, but undertakes to invest defined amounts through a Borrower Investment Account;

"Investment Mortgage Receivable" means the Mortgage Receivable resulting from an Investment Mortgage Loan;

"Issuer" means Dutch MBS XVII B.V., a private company with limited liability ("*besloten vennootschap met beperkte aansprakelijkheid*") incorporated under Dutch law and established in Amsterdam, the Netherlands;

"Issuer Account Agreement" means the issuer account agreement between the Issuer, the Security Trustee and the Issuer Account Bank dated the Signing Date;

"Issuer Account Bank" means ABN AMRO Bank N.V.;

"Issuer Accounts" means any of the Issuer Transaction Accounts, the Swap Collateral Account and the Cash Advance Facility Stand-by Account;

"Issuer Administrator" means NIBC;

"Issuer Collection Account" means the bank account of the Issuer designated as such in the Issuer Account Agreement;

"Issuer Management Agreement" means the issuer management agreement between the Issuer, ATC Management and the Security Trustee dated the Signing Date;

"Issuer Mortgage Receivables Pledge Agreement" means the mortgage receivables pledge agreement entered into by the Issuer (as pledgor) and the Security Trustee (as pledgee) dated the Signing Date;

"Issuer Rights" means any and all rights of the Issuer under and in connection with the Mortgage Receivables Purchase Agreement, the Issuer Account Agreement, the Servicing Agreement, the Administration Agreement, the Cash Advance Facility Agreement and the Swap Agreement;

"Issuer Rights Pledge Agreement" means the pledge agreement between, among others, the Issuer, the Security Trustee, the Sellers and the Servicer dated the Signing Date pursuant to which a right of pledge is created in favour of the Security Trustee over the Issuer Rights;

"Issuer Transaction Account" means any of the Issuer Collection Account and the Reserve Account;

"Life Insurance Policy" means an insurance policy taken out by any Borrower comprised of a risk insurance element and a capital insurance element which pays out a certain amount on an agreed date or, if earlier, upon the death of the insured life;

"Life Mortgage Loan" means a Mortgage Loan or part thereof in respect of which the Borrower is not required to repay principal until maturity, but instead pays on a monthly basis a premium to the relevant Insurance Company;

"Life Mortgage Receivable" means the Mortgage Receivable resulting from a Life Mortgage Loan;

"Linear Mortgage Loan" means a Mortgage Loan or part thereof in respect of which the Borrower each month pays a fixed amount of principal towards redemption of such Mortgage Loan (or relevant part thereof) until maturity;

"Linear Mortgage Receivable" means the Mortgage Receivable resulting from a Linear Mortgage Loan;

"Listing Agent" means NIBC;

"Local Business Day" has the meaning ascribed thereto in Condition 5(c) (*Payment*);

"Management Agreement" means any of (i) the Issuer Management Agreement, (ii) the Shareholder Management Agreement and (iii) the Security Trustee Management Agreement;

"Managers" means NIBC and the Lead Managers;

"Market Value" means (i) the market value ("*marktwaarde*") of the relevant Mortgaged Asset based on (a) if available, the most recent valuation by an external valuer, 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 a Mortgaged Asset to be constructed or in construction at the time of application by the Borrower, the construction costs of such Mortgaged Asset plus the purchase price of the relevant building lot, if applicable;

"Master Definitions Agreement" means the master definitions agreement between, amongst others, the Sellers, the Issuer and the Security Trustee dated the Signing Date;

"Moody's" means Moody's Investors Service Ltd., and includes any successor to its rating business;

"Mortgage" means a mortgage right ("*hypotheekrecht*") securing the relevant Mortgage Receivables;

"Mortgage Calculation Date" means a Business Day after the last day of each Mortgage Calculation Period and before the Mortgage Collection Payment Date;

"Mortgage Calculation Period" means the period commencing on (and including) the first day of each calendar month and ending on (and including) the last day of such calendar month except for the first mortgage calculation period which commences on (and includes) the Cut-Off Date and ends on (and includes) the last day of September 2012;

"Mortgage Collection Payment Date" means the 5th Business Day of each calendar month;

"Mortgage Conditions" means the terms and conditions applicable to a Mortgage Loan, as set forth in the relevant mortgage deed and/or in any loan document, offer document or any other document, including any applicable general terms and conditions for mortgage loans as amended or supplemented from time to time;

"Mortgage Loan Amendment" an amendment by the relevant Seller and the relevant Borrower of the terms of the Relevant Mortgage Loan, or part of such Relevant Mortgage Loan, as a result of which such Relevant Mortgage Loan no longer meets certain criteria set forth in the Mortgage Receivables Purchase Agreement;

"Mortgage Loan Criteria" means the criteria relating to the Mortgage Loans set forth as such in section *Eligibility Criteria in Portfolio Information* of this Prospectus;

"Mortgage Loan Services" means the services to be provided by the Servicer to the Issuer and the Security Trustee with respect to the Mortgage Loans, as set out in the Servicing Agreement;

"Mortgage Loans" means (i) the mortgage loans granted by the relevant Originator to the relevant borrowers which may consist of one or more loan parts ("*leningdelen*") as set forth in the list of loans attached to the Mortgage Receivables Purchase Agreement and (ii), after any purchase and assignment of any New Mortgage Receivables or Further Advance Receivables has taken place in accordance with the Mortgage Receivables Purchase Agreement, the relevant New Mortgage Loans and/or any Further Advances, in the case of both (i) and (ii) to the extent the mortgage receivables resulting therefrom are not retransferred or otherwise disposed of by the Issuer;

"Mortgage Receivable" means any and all rights of the relevant Seller (and after assignment of such rights to the Issuer, of the Issuer) against the Borrower under or in connection with a Mortgage Loan, including any and all claims of the Seller (or the Issuer after assignment) on the Borrower as a result of the Mortgage Loan being terminated, dissolved or declared null and void;

"Mortgage Receivables Purchase Agreement" means the mortgage receivables purchase agreement between, amongst others, the Sellers, the Issuer and the Security Trustee dated the Signing Date;

"Mortgaged Asset" means (i) a real property ("*onroerende zaak*"), (ii) an apartment right ("*appartementsrecht*") or (iii) a long lease ("*erfpachtsrecht*") situated in the Netherlands on which a Mortgage is vested;

"Net Foreclosure Proceeds" means (i) the proceeds of a foreclosure on a Mortgage, (ii) the proceeds of foreclosure on any other collateral securing the relevant Mortgage Receivable, (iii) the proceeds, if any, of collection of any insurance policy in connection with the relevant Mortgage Receivable, including but not limited to fire insurance policy and Insurance Policy, (iv) the proceeds of any guarantees or sureties and (v) the proceeds of foreclosure on any other assets of the relevant Borrower, in each case after deduction of foreclosure costs in respect of such Mortgage Receivable;

"Net Principal Proceeds" has the meaning ascribed thereto in Condition 6(c) (*Redemption*);

"New Mortgage Loan" means a mortgage loan granted by the relevant Seller to the relevant borrower, which may consist of one or more loan parts ("*leningdelen*") as set forth in the list of loans attached to any Deed of Assignment and Pledge other than the initial Deed of Assignment and Pledge;

"New Mortgage Receivable" means the Mortgage Receivable resulting from a New Mortgage Loan;

"NHG Conditions" means the terms and conditions ("*voorwaarden en normen*") of the NHG Guarantee as set by Stichting WEW as amended from time to time;

"NHG Guarantee" means a guarantee ("*borgtocht*") under the NHG Conditions granted by Stichting WEW;

"NHG Mortgage Receivable" means the Mortgage Receivable resulting from an NHG Mortgage Loan;

"NHG Mortgage Loans" means a Mortgage Loan that has the benefit of an NHG Guarantee;

"NIBC" means NIBC Bank N.V. a public company ("*naamloze vennootschap*") incorporated under Dutch law and established in 's-Gravenhage, the Netherlands;

"Noteholders" means the persons who for the time being are the holders of the Notes;

"Notes" means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes;

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

"Notes Calculation Period" means, in relation to a Notes Calculation Date, the three successive Mortgage Calculation Periods immediately preceding such Notes Calculation Date except for the first Notes Calculation Period which will commence on the Cut-Off Date and ends on and includes the last day of November 2012;

"Notes Payment Date" means the 2nd day of January, April, July and October of each year or, if such day is not a Business Day, the immediately succeeding Business Day unless it would as a result fall in the next calendar month, in which case it will be the Business Day immediately preceding such day;

"Notes Purchase Agreements" means the Class A Notes Purchase Agreement and the Subordinated Class Notes Purchase Agreement;

"Optional Redemption Date" means any Notes Payment Date from (and including) the First Optional Redemption Date up to (and excluding) the Final Maturity Date;

"Original Foreclosure Value" means the Foreclosure Value as assessed by the relevant Originator at the time of granting the Mortgage Loan;

"Original Loan to Original Foreclosure Value Ratio" means the ratio calculated by dividing the original principal amount of a Mortgage Receivable at the moment of origination by the Original Foreclosure Value;

"Original Market Value" means the Market Value as assessed by the relevant Originator at the time of granting the Mortgage Loan;

"Originators" means the Sellers and Zwitterleven;

"Other Claim" means any claim of the relevant Originator and/or Seller, as applicable, has against the Borrower, other than a Mortgage Receivable, which is secured by the Mortgage and/or Borrower Pledge;

"Outstanding Principal Amount" means, at any moment in time, (i) the outstanding principal amount of a Mortgage Receivable at such time and (ii), after a Realised Loss of the type (a) and (b) in respect of such Mortgage Receivable, zero;

"Parallel Debt" has the meaning ascribed thereto in section *Security* of this Prospectus;

"Parallel Debt Agreement" means the parallel debt agreement between, amongst others, the Issuer, the Security Trustee and the Secured Creditors (other than the Noteholders) dated the Signing Date;

"Paying Agency Agreement" means the paying agency agreement between the Issuer, the Paying Agent, the Reference Agent and the Security Trustee dated the Signing Date;

"Paying Agent" means NIBC;

"Permanent Global Note" means a permanent global note in respect of a Class of Notes;

"Permitted Cash Advance Drawing Amount" means, on any Notes Payment Date, an amount equal to the amount to be drawn under the Cash Advance Facility Agreement and/or from the Reserve Account by the Issuer if and to the extent that, without taking into account any drawing under the Cash Advance Facility Agreement or from the Reserve Account, there is a shortfall in the Available Revenue Funds to meet items (a) to (e) (inclusive);

"Pledge Agreements" means the Issuer Mortgage Receivables Pledge Agreement and the Issuer Rights Pledge Agreement;

"Pledge Notification Event" means any of the events specified in Clause 5.1 of the Issuer Mortgage Receivables Pledge Agreement;

"Post-Enforcement Priority of Payments" means the priority of payments set out as such in section *Credit Structure* of this Prospectus;

"Prepayment Penalties" means any prepayment penalties ("*boeterente*") to be paid by a Borrower under a Mortgage Loan as a result of the Mortgage Receivable being repaid (in whole or in part) prior to the maturity date of such Mortgage Loan other than (i) on a date whereon the interest rate is reset or (ii) as otherwise permitted pursuant to the Mortgage Conditions;

"Previous Transaction Security Trustees" means Stichting Security Trustee Essence IV, Stichting Security Trustee Essence III, Stichting Security Trustee Dutch MBS XVI, Stichting Security Trustee Dutch MBS XV, Stichting Security Trustee Dutch MBS XIV, Stichting Security Trustee SOUND I, Stichting Security Trustee SOUND II, Stichting Security Trustee SwAFE, and Stichting Security Trustee NIBC Covered Bond Company;

"Previous Transaction SPVs" means Essence IV B.V., Essence III B.V., Dutch MBS XVI B.V., Dutch MBS XV B.V., Dutch MBS XIV B.V., SOUND I B.V., SOUND II B.V., SwAFE I B.V., Noiro Residential Mortgages V.O.F. and NIBC Covered Bond Company B.V.;

"Principal Amount Outstanding" has the meaning ascribed thereto in Condition 6(c) (*Redemption*);

"Principal Deficiency" means the debit balance, if any, of the relevant Principal Deficiency Ledger;

"Principal Deficiency Ledger" means the principal deficiency ledger relating to the relevant Classes of Notes and comprising sub-ledgers for each such Class of Notes;

"Principal Reconciliation Ledger" means the ledger specifically created for such purpose on the Issuer Collection Account as set forth in the Administration Agreement;

"Principal Shortfall" means an amount equal to the balance of the Principal Deficiency Ledger of the relevant Class divided by the number of Notes of the relevant Class of Notes on the relevant Notes Payment Date;

"Priority of Payments" means any of the Revenue Priority of Payments, the Redemption Priority of Payments and the Post-Enforcement Priority of Payments;

"Pro Rata Trigger" means, with respect to the Redemption Priority of Payments, the trigger that applies from the moment on which an amount is recorded on the Class A Principal Deficiency Ledger;

"Professional Market Party" means a professional market party ("*professionele marktpartij*") as defined in the Wft;

"Prospectus" means this prospectus dated 1 October 2012 relating to the issue of the Notes;

"Prospectus Directive" means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended by the Directive 2010/73/EC of the European Parliament and of the Council of 24 November 2010, as the same may be further amended;

"Realised Loss" has the meaning ascribed thereto in section *Credit Structure* of this Prospectus;

"Receivables Proceeds Distribution Agreement" means the receivables proceeds distribution agreement between, among others, the Issuer, the Security Trustee, the Previous Transaction SPVs, the Previous Transaction Security Trustees, the Sellers and the Collection Foundation dated 14 September 2012;

"Redemption Amount" means the principal amount redeemable in respect of each integral multiple of a Note as described in Condition 6 (*Redemption*);

"Redemption Priority of Payments" means the priority of payments set out as such in section *Credit Structure* in this Prospectus;

"Reference Agent" means NIBC Bank N.V.;

"Regulatory Call Option" means the option of the Sellers, in accordance with Condition 6(g), to repurchase the Mortgage Receivables upon the occurrence of a Regulatory Change;

"Regulatory Change" has the meaning ascribed thereto in Condition 6(g) (*Redemption*);

"Relevant Class" has the meaning ascribed thereto in Condition 10 (*Events of Default*);

"Relevant Mortgage Loans" means, in relation to the relevant Seller, the Mortgage Loans from which the Relevant Mortgage Receivables result;

"Relevant Mortgage Receivables" means, in relation to the relevant Seller, the Mortgage Receivables that it sells to the Issuer;

"Relevant New Mortgage Receivables" means, in relation to the relevant Seller, the New Mortgage Receivables that it sells to the Issuer;

"Relevant Remedy Period" means (a) in case of a loss of the Requisite Credit Rating by Moody's, thirty (30) calendar days and/or (b) in case of a loss of the Requisite Credit Rating by Fitch, fourteen (14) calendar days;

"Requisite Credit Rating" means the rating of (i) 'Prime-1' (short-term) by Moody's and (ii) 'F-1' (short-term issuer default rating) and 'A' (long-term issuer default rating) by Fitch;

"Reserve Account" means the bank account of the Issuer designated as such in the Issuer Account Agreement;

"Reserve Account Cash Advance Drawing" means, on any Notes Payment Date on which the Permitted Cash Advance Drawing Amount is higher than zero, an amount equal to lower of (i) the Permitted Cash Advance Drawing Amount and (ii) the balance standing to the credit of the Reserve Account on such date;

"Reserve Account Target Level" means on any Notes Calculation Date a level equal (i) to the higher of (a) 0.50 per cent. of the Principal Amount Outstanding of the Notes, other than the Class F Notes, at the Closing Date and (b) the aggregate Outstanding Principal Amount of the Mortgage Receivables in respect of which the amount in arrears exceeds three monthly payments or (ii) zero, on the Notes Payment Date on which the Notes have been or are to be redeemed in full;

"Revenue Priority of Payments" means the priority of payments set out as such in section *Credit Structure* of this Prospectus;

"Risk Insurance Policy" means the risk insurance ("*risicoverzekering*") which pays out upon the death of the insured, taken out by a Borrower with any of the Insurance Companies;

"Royal" means Royal Residentie Hypotheken B.V.

"Secured Creditors" means (i) the Directors, (ii) the Servicer, (iii) the Issuer Administrator, (iv) the Paying Agent, (v) the Reference Agent, (vi) the Cash Advance Facility Provider, (vii) the Swap Counterparty, (viii) the Issuer Account Bank, (ix) the Noteholders and (x) each Seller;

"Securities Act" means the United States Securities Act of 1933 (as amended);

"Security" means any and all security interest created pursuant to the Pledge Agreements;

"Security Trustee" means Stichting Security Trustee Dutch MBS XVII, a foundation ("*stichting*") organised under Dutch law and established in Amsterdam, the Netherlands;

"Security Trustee Management Agreement" means the security trustee management agreement between the Security Trustee, ANT Securitisation Services B.V. and the Issuer dated the Signing Date;

"Sellers" means any of (i) HyplInvest, (ii) Seyst, (iii) Royal and (iv) Amstelstaete;

"Sellers Clean-Up Call Option" means, on any Notes Payment Date, the option (but not the obligation) of the Sellers, acting jointly, to repurchase the Mortgage Receivables if on the Notes Calculation Date immediately preceding such Notes Payment Date the aggregate Outstanding Principal Amount of the Mortgage Receivables is not more than 10 per cent. of the aggregate Outstanding Principal Amount of the Mortgage Receivables on the Cut-off Date;

"Servicer" means NIBC;

"Servicing Agreement" means the servicing agreement between the Servicer, the Issuer and the Security Trustee dated the Signing Date;

"Seyst" means Seyst Hypotheken B.V.;

"Shareholder" means Stichting Dutch MBS XVII Holding, a foundation ("*stichting*") organised under Dutch law and established in Amsterdam, the Netherlands;

"Shareholder Management Agreement" means the shareholder management agreement between the Shareholder, ATC Management B.V. and the Security Trustee dated the Signing Date;

"Signing Date" means (i) in respect of the Master Definitions Agreement, the Mortgage Receivables Purchase Agreement, the Management Agreements and the Notes Purchase Agreements, 1 October 2012 and (ii) in respect of the initial Deed of Assignment and Pledge, the Swap Agreement, the Issuer Account Agreement, the Cash Advance Facility Agreement, the Servicing Agreement, the Pledge Agreements, the Parallel Debt Agreement and the Paying Agency Agreement and the Trust Deed, 3 October 2012 or in the case of both (i) and (ii) such later date as may be agreed between the Issuer and NIBC;

"Solvency II" means the European Parliament legislative resolution of 22 April 2009 on the amended proposal for a directive of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance;

"Stichting WEW" means Stichting Waarborgfonds Eigen Woningen;

"Subordinated Notes" means the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes;

"Subordinated Notes Purchase Agreement" means the notes purchase agreement between the Class B, C, D, E and F Manager, the Issuer and the Sellers dated the Signing Date;

"Sub-servicer" means STATER Nederland B.V. or any subsequent sub-agent of the Servicer;

"Substitution Available Amount" means, at any Notes Calculation Date up to, but excluding, the Notes Calculation Date immediately preceding the Final Maturity Date, any amounts received by the Issuer as a result of a repurchase of Mortgage Receivables by the relevant Seller or the Sellers, as the case may be, other than in case of a purchase of all Mortgage Receivables to the extent such amounts relate to principal during the immediately preceding Notes Payment Date;

"Substitution Conditions" means the conditions specified as such in *Portfolio Conditions* in *Portfolio Documentation* in this Prospectus;

"Swap Agreement" means the swap agreement (documented under a 1992 ISDA master agreement, including the schedule thereto, a credit support annex and a confirmation) between the Issuer, the Swap Counterparty and the Security Trustee dated the Signing Date;

"Swap Collateral" means, at any time, any asset (including, without limitation, cash) which is paid or transferred by the Swap Counterparty to the Issuer as collateral to secure the performance by the Swap Counterparty of its obligations under the Swap Agreement together with any income or distributions received in respect of such asset and any equivalent of such asset into which such asset is transformed;

"Swap Collateral Account" means the bank account of the Issuer designated as such in the Issuer Account Agreement and any further account opened to hold Swap Collateral in the form of cash;

"Swap Counterparty" means Credit Suisse International;

"Swap Counterparty Subordinated Payment" means any termination payment due and payable as a result of the occurrence of (i) a Swap Event of Default where the Swap Counterparty is the Defaulting Party or (ii) an Additional Termination Event arising pursuant to the occurrence of a Rating Event (all as defined in the Swap Agreement);

"Swap Required Ratings" means the rating of the Swap Counterparty as required pursuant to the Swap Agreement (without the Swap Counterparty being required to post collateral) and which are in line with the criteria of the Credit Rating Agencies on the Closing Date and which are, for as long as the Class A Notes

are assigned an AAA(sf) by Fitch and an Aaa(sf) by Moody's, (i) 'Prime-1' (short-term) and 'A2' (long-term) by Moody's and (ii) 'F-1' (short-term issuer default rating) and 'A' (long-term issuer default rating) by Fitch;

"Swap Transaction" means any of the swap transactions to be entered into under the Swap Agreement;

"TARGET 2" means the Trans-European Automated Real-Time Gross Settlement Express Transfer 2 System;

"Tax Call Option" means the option of the Issuer, in accordance with Conditions 6(h), to redeem all (but not some only) of the Notes on any Notes Payment Date at their Principal Amount Outstanding, together with interest accrued up to and including the date of redemption, subject to, in respect of the Subordinated Notes, Condition 9(b);

"Tax Event" means any change in tax law, after the date of the Swap Agreement, due to which the Swap Counterparty will, or there is a substantial likelihood that it will, be required to pay to the Issuer additional amounts for or on account of tax;

"Temporary Global Note" means a temporary global note in respect of a Class of Notes;

"Transaction Documents" means the Master Definitions Agreement, the Mortgage Receivables Purchase Agreement, the Deeds of Assignment and Pledge, the Deposit Agreement, the Administration Agreement, the Swap Agreement, the Issuer Account Agreement, the Cash Advance Facility Agreement, the Servicing Agreement, the Pledge Agreements, the Notes Purchase Agreements, the Parallel Debt Agreement, the Notes, the Paying Agency Agreement, the Management Agreements, the Collection Foundation Agreements and the Trust Deed;

"Trust Deed" means the trust deed entered into by, amongst others, the Issuer and the Security Trustee dated the Closing Date;

"Unit-Linked Alternative" has the meaning ascribed thereto in section *Portfolio Information* in *Transaction Overview* of this Prospectus;

"Wft" means the Dutch Financial Supervision Act ("*Wet op het financieel toezicht*") and its subordinate and implementing decrees and regulations;

"Wge" means the Dutch Securities Giro Transfer Act ("*Wet giraal effectenverkeer*"); and

"WOZ" means the Valuation of Immovable Property Act ("*Wet waardering onroerende zaken*");

2 INTERPRETATION

2.1 The language of this Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed thereto under applicable law.

2.2 Any reference in this Prospectus to:

an "**Act**" or a "**statute**" or "**treaty**" shall be construed as a reference to such Act, statute or treaty as the same may have been, or may from time to time be, amended or, in the case of an Act or a statute, re-enacted;

"**this Agreement**" or an "**Agreement**" or "**this Deed**" or a "**deed**" or a "**Deed**" or a "**Transaction Document**" or any of the Transaction Documents (however referred to or defined) shall be construed as a reference to such document or agreement as the same may be amended, supplemented, restated, novated or otherwise modified from time to time;

a "**Class**" of Notes shall be construed as a reference to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes, as applicable;

a "**Class A**", "**Class B**", "**Class C**", "**Class D**", "**Class E**" or "**Class F**" Noteholder, Principal Deficiency, Principal Deficiency Ledger, Redemption Amount, Temporary Global Note or Permanent Global Note shall be construed as a reference to a Noteholder of, or a Principal Deficiency, the Principal Deficiency Ledger or a Redemption pertaining to, as applicable, the relevant Class of Notes;

"**encumbrance**" includes any mortgage, charge or pledge or other limited right ("*beperkt recht*") securing any obligation of any person, or any other arrangement having a similar effect;

"**Euroclear**" and/or "**Clearstream, Luxembourg**" includes any additional or alternative clearing system approved by the Issuer, the Security Trustee and the Paying Agent and permitted to hold the Temporary Global Notes and the Permanent Global Notes, provided that such alternative clearing system must be authorised to hold the Temporary Global Notes and the Permanent Global Notes as eligible collateral for Eurosystem monetary policy and intra-day credit operations;

the "**records of Euroclear and Clearstream, Luxembourg**" are to the records that each of Euroclear and Clearstream, Luxembourg holds for its customers which reflect the amount of such customers' interests in the Notes;

"**foreclosure**" includes any lawful manner of generating proceeds from collateral whether by public auction, by private sale or otherwise;

"**holder**" means the bearer of a Note and related expressions shall (where appropriate) be construed accordingly;

"**including**" or "**include**" shall be construed as a reference to "**including without limitation**" or "**include without limitation**", respectively;

"**indebtedness**" shall be construed so as to include any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

A "**month**" shall be construed as a reference to a period beginning in one calendar month and ending in the next calendar month on the day numerically corresponding to the day of the calendar month on which it commences or, where there is no date in the next calendar month numerically corresponding as aforesaid, the last day of such calendar month, and "**months**" and "**monthly**" shall be construed accordingly;

the "**Notes**", the "**Conditions**", any "**Transaction Document**" or any other agreement or document shall be construed as a reference to the Notes, the Conditions, such 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, restated, varied, novated, supplemented or replaced;

a "**person**" shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing or any successor or successors of such party;

a "**preliminary suspension of payments**", "**suspension of payments**" or "**moratorium of payments**" shall, where applicable, be deemed to include a reference to the suspension of payments ("*voorlopige surseance van betaling*") as meant in the Dutch Bankruptcy Act ("*Faillissementswet*") or any emergency regulation ("*noodregeling*") on the basis of the Wft; and, in respect of a private individual, any debt restructuring scheme ("*schuldsanering natuurlijke personen*");

"**principal**" shall be construed as the English translation of "*hoofdsom*" or, if the context so requires, "*pro resto hoofdsom*" and, where applicable, shall include premium;

"**repay**", "**redeem**" and "**pay**" shall each include both of the others and "**repaid**", "**repayable**" and "**repayment**", "**redeemed**", "**redeemable**" and "**redemption**" and "**paid**", "**payable**" and "**payment**" shall be construed accordingly;

a "**successor**" of any party shall be construed so as to include an assignee or successor in title (including after a novation) of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under a Transaction Document or to which, under such laws, such rights and obligations have been transferred;

any "**Transaction Party**" or "**party**" or a party to any Transaction Document (however referred to or defined) shall be construed so as to include its successors and transferees and any subsequent successors and transferees in accordance with their respective interests; and

"**tax**" includes any present or future tax, levy, impost, duty or other charge of a similar nature (including, without limitation, any penalty payable in connection with any failure to pay or any delay in paying any of the same).

- 2.3 In this Prospectus, save where the context otherwise requires, words importing the singular number include the plural and *vice versa*.
- 2.4 Headings used in this Prospectus are for ease of reference only and do not affect the interpretation of this Prospectus.

REGISTERED OFFICES

THE ISSUER

Dutch MBS XVII B.V.
Frederik Roeskestraat 123
1076 EE Amsterdam
The Netherlands

SELLERS

c/o NIBC Bank N.V.
Carnegieplein 4
2517 KJ 's Gravenhage
the Netherlands

SECURITY TRUSTEE

Stichting Security Trustee Dutch MBS XVII
Claude Debussylaan 24
1082 MD Amsterdam
The Netherlands

SERVICER, ISSUER ADMINISTRATOR, CASH ADVANCE FACILITY PROVIDER, LISTING AGENT, PAYING AGENT AND REFERENCE AGENT

NIBC Bank N.V.
Carnegieplein 4
2517 KJ 's Gravenhage
the Netherlands

SUB SERVICER

Stater Nederland B.V.
Podium 1, 3826 PA
Amersfoort
the Netherlands

LEGAL AND TAX ADVISERS TO THE SELLERS AND THE ISSUER

NautaDutilh N.V.
Strawinskyiaan 1999
1077 XV Amsterdam
the Netherlands

LEGAL ADVISERS TO THE MANAGERS

Allen & Overy LLP
Apollolaan 15
1077 AB Amsterdam
the Netherlands

AUDITORS

PRICEWATERHOUSECOOPERS ACCOUNTANTS N.V.
Prins Bernardplein 200
1097 JB Amsterdam
the Netherlands

ISSUER ACCOUNT BANK

ABN AMRO Bank N.V.
Gustav Mahlerlaan 10
1082 PP Amsterdam
The Netherlands

SWAP COUNTERPARTY

Credit Suisse International
One Cabot Square
London E14 4QJ
United Kingdom

COMMON SAFEKEEPER

In respect of the Class A Notes

Euroclear Bank S.A./N.V.
1 Boulevard du Roi Albert II
1210 Brussels
Belgium

In respect of the Notes other than the Class A Notes

BNP Paribas Securities Services, Luxembourg Branch
33, rue de Gasperich,
Howald – Hesperange
L – 2085 Luxembourg

CLEARSTREAM, LUXEMBOURG

42 Avenue J.F. Kennedy
L-1855 Luxembourg
Luxembourg

MANAGERS

Credit Suisse Securities (Europe) Limited
One Cabot Square
London E14 4QJ
United Kingdom

Jefferies International Limited
Vintners Place
68 Upper Thames Street
London EC4V 3BJ
United Kingdom

NIBC Bank N.V.
Carnegieplein 4
2517 KJ 's Gravenhage
The Netherlands