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SMILE SECURITISATION COMPANY 2007 B.V.

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

Euro 4,563,564,000 Senior Class A Asset-Backed Notes due 2053, issue price 100 per cent.

Euro 98,141,000 Mezzanine Class B Asset-Backed Notes due 2053, issue price 100 per cent.

Euro 73,606,000 Mezzanine Class C Asset-Backed Notes due 2053, issue price 100 per cent.

Euro 73,606,000 Junior Class D Asset-Backed Notes due 2053, issue price 100 per cent.

Euro 83,420,000 Subordinated Class E Asset-Backed Notes due 2053, issue price 100 per cent.

Euro 14,721,000 Subordinated Class F Asset-Backed Notes due 2053, issue price 100 per cent.

An application has been made to list the Euro 4,563,564,000 Senior Class A Asset-Backed Notes due 2053 (the '**Senior Class A Notes**'), the Euro 98,141,000 Mezzanine Class B Asset-Backed Notes due 2053 (the '**Mezzanine Class B Notes**'), the Euro 73,606,000 Mezzanine Class C Asset-Backed Notes due 2053 (the '**Mezzanine Class C Notes**'), the Euro 73,606,000 Junior Class D Asset-Backed Notes due 2053 (the '**Junior Class D Notes**'), the Euro 83,420,000 Subordinated Class E Asset-Backed Notes due 2053 (the '**Subordinated Class E Notes**'), and together with the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes and the Junior Class D Notes, the '**Rated Notes**') and the Euro 14,721,000 Subordinated Class F Asset-Backed Notes due 2053 (the '**Subordinated Class F Notes**'), and together with the Rated Notes, the '**Notes**'), to be issued by SMILE Securitisation Company 2007 B.V. (the '**Issuer**'), on Euronext Amsterdam N.V. ('**Euronext Amsterdam**'). The Notes are expected to be issued on 26 February 2007 (the '**Closing Date**'). This prospectus ("**Prospectus**") has been approved by the Netherlands Authority for the Financial Markets ("**Stichting Autoriteit Financiële Markten**"). This document constitutes a Prospectus within the meaning of Directive 2003/71/EC.

The Notes will carry a floating rate of interest, payable quarterly in arrear, which will be three months Euribor plus a margin per annum, which will be for the Senior Class A Notes 0.09 per cent. and, up to (but excluding) the first Optional Redemption Date, for the Mezzanine Class B Notes 0.15 per cent., for the Mezzanine Class C Notes 0.25 per cent., for the Junior Class D Notes 0.53 per cent., for the Subordinated Class E Notes 2.50 per cent. and for the Subordinated Class F Notes 10.00 per cent.. If on the first Optional Redemption Date the Notes of any Class are not redeemed in full, in accordance with the terms and conditions of the Notes (the '**Conditions**'), the margin applicable to such Class of Notes, other than the Senior Class A Notes, will be reset. The interest on the relevant Class of Notes from (and including) the first Optional Redemption Date will be equal to three months Euribor plus a margin per annum which will be for the Mezzanine Class B Notes 0.225 per cent., for the Mezzanine Class C Notes 0.375 per cent., for the Junior Class D Notes 0.795 per cent., for the Subordinated Class E Notes 3.75 per cent. and for the Subordinated Class F Notes 15.00 per cent., payable quarterly in arrear. From (and including) the Optional Redemption Date on which the Issuer redeems the Notes (other than the Senior Class A Notes, which will be fully redeemed on such date) in accordance with Condition 6(c), no interest will accrue and will be due on each Class of Notes.

The Notes are scheduled to mature on the Quarterly Payment Date falling in December 2053 (the '**Final Maturity Date**'). On each Quarterly Payment Date the Notes will be subject to mandatory redemption (in whole or in part) in the circumstances set out in, and subject to and in accordance with the Conditions. Prior to the occurrence of the Cumulative Default Trigger Event, the Pro-rata Redemption Available Amount will be applied by the Issuer to redeem the Notes on a pro rata basis and the Sequential Redemption Available Amount will be applied by the Issuer to redeem the Notes on a sequential basis. After the occurrence of the Cumulative Default Trigger Event, the Issuer will apply the Notes Redemption Available Amount to redeem the Notes on a sequential basis only (see *Credit Structure and Terms and Conditions of the Notes*). On the Quarterly Payment Date falling in March 2015 and each Quarterly Payment Date thereafter (each an '**Optional Redemption Date**') the Issuer will have the option to redeem all (but not some only) of the Notes then outstanding at their Principal Amount Outstanding, subject to and in accordance with the Conditions. If the Issuer exercises its option, the Senior Class A Notes will be redeemed in full. The Notes of the other Classes will be redeemed at their Principal Amount Outstanding less the relevant Principal Shortfall. In respect of each such Note, there will be from (and including) such date no further claim against the Issuer for the relevant Principal Shortfall. In addition, if in order to be able to redeem the Notes, the Receivables are sold to the Seller and there are Defaulted Receivables, the Notes of each such Class will on such date be redeemed less the relevant Estimated Shortfall. After such redemption, the Principal Amount Outstanding of each of the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes, the Subordinated Class E Notes and the Subordinated Class F Notes will be equal to the relevant Estimated Shortfall. Subject to and in accordance with Condition 6(c), there may be further redemption payments in respect of such remaining Principal Amount Outstanding on the four succeeding Quarterly Payment Dates. There will be no further claim against the Issuer for the Principal Amount Outstanding on the Notes after the date on which the Issuer

no longer holds any Receivables and there are no balances standing to the credit of the Transaction Accounts and the Issuer has no further rights under or in connection with any of the Relevant Documents. In addition, (i) in the event of certain tax changes affecting the Notes or (ii) if the Seller exercises its option to repurchase all but not some only of the Receivables when the aggregate Outstanding Principal Amount in respect of the Receivables is not more than 10 per cent. of the sum of the aggregate Outstanding Principal Amount in respect of the Receivables on the Sale Date (the '**Clean-up Call Option**') or (iii) if the Seller exercises its option to repurchase the Receivables upon the occurrence of a Regulatory Change ('**Regulatory Call Option**'), the Issuer will redeem all of the Notes subject to and in accordance with the Conditions.

It is a condition precedent to issuance of the Notes that the Senior Class A Notes be assigned an 'Aaa' rating by Moody's Investors Service Limited ('**Moody's**'), an 'AAA' rating by Fitch Ratings Ltd ('**Fitch**') and an 'AAA' rating by Standard & Poor's Rating Group ('**S&P**') and together with Moody's and Fitch, the '**Rating Agencies**'), the Mezzanine Class B Notes be assigned an 'Aa2' rating by Moody's, an 'AA+' rating by Fitch and an 'AA' rating by S&P, the Mezzanine Class C Notes be assigned an 'A1' rating by Moody's, an 'AA-' rating by Fitch and an 'A' rating by S&P, the Junior Class D Notes be assigned a 'Baa2' rating by Moody's, a 'BBB+' rating by Fitch and a 'BBB' rating by S&P and the Subordinated Class E Notes be assigned a 'Ba3' rating by Moody's, a 'BB-' rating by Fitch and a 'BB-' rating by S&P.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time. For a discussion of some of the risks associated with an investment in the Notes, see *Risk Factors* herein.

The Notes will be (indirectly) secured by a right of pledge by the Issuer over the Receivables in favour of Stichting Security Trustee SMILE Securitisation 2007 (the '**Security Trustee**') and a right of pledge in favour of the Security Trustee vested by the Issuer over all rights of the Issuer under or in connection with most of the Relevant Documents. Payments of interest and payments of principal, except for *pro rata* payments in accordance with Condition 6(b)(A)(I) prior to the occurrence of the Cumulative Default Trigger Event, on (a) the Mezzanine Class B Notes are subordinated to, *inter alia*, payments of interest and payments of principal on the Senior Class A Notes; (b) the Mezzanine Class C Notes are subordinated to, *inter alia*, payments of interest and payments of principal on the Senior Class A Notes and the Mezzanine Class B Notes; (c) the Junior Class D Notes are subordinated to, *inter alia*, payments of interest and payments of principal on the Senior Class A Notes, the Mezzanine Class B Notes and the Mezzanine Class C Notes, (d) the Subordinated Class E Notes are subordinated to, *inter alia*, payments of interest and payments of principal on the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes and the Junior Class D Notes and (e) the Subordinated Class F Notes are subordinated to, *inter alia*, payments of interest and payments of principal on the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes and the Subordinated Class E Notes and the right to payment of interest and principal in respect of each Class of Notes may be limited as more fully described herein.

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

The Notes 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 of the Seller, the Managers, the Pool Servicer, the Issuer Administrator, the Floating Rate GIC Provider, the Swap Counterparty, the Directors, the Paying Agent, the Reference Agent (each as defined herein) or the Security Trustee or any other person in whatever capacity acting. Furthermore, none of the Seller, the Managers, the Pool Servicer, the Issuer Administrator, the Floating Rate GIC Provider, the Swap Counterparty, the Directors, the Paying Agent, the Reference Agent, the Security Trustee or any other person, in whatever capacity acting, will accept any liability whatsoever to Noteholders in respect of any failure by the Issuer to pay any amounts due under the Notes. None of the Seller, the Managers, the Pool Servicer, the Issuer Administrator, the Floating Rate GIC Provider, the Swap Counterparty, the Directors, the

Paying Agent, the Reference Agent or the Security Trustee will be under any obligation whatsoever to provide additional funds to the Issuer (save in the limited circumstances described herein).

For the page reference of the definitions of capitalised terms used herein see Index of Defined Terms.

The date of this Prospectus is 22 February 2007.

Arranger and sole bookrunner



Co-Managers



IMPORTANT INFORMATION

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

The Seller is responsible solely for the information contained in the following sections of this Prospectus: *Overview of the Dutch SME Market*, *Description of ABN AMRO Bank N.V.*, *Description of Loans* and *Loan Underwriting and Servicing*. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in these paragraphs is in accordance with the facts and does not omit anything likely to affect the impact of such information. Any information from third-parties contained in these paragraphs has been accurately reproduced and does not omit anything which would render the reproduced information inaccurate or misleading. The Seller accepts responsibility accordingly.

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see *Description of ABN AMRO Bank N.V.* and *General Information* below). This Prospectus shall be read and construed on the basis that such documents are incorporated in and form part of this Prospectus.

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 Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer.

Neither this Prospectus nor any part thereof should be considered as a recommendation by the Issuer that any recipient of this Prospectus or any other information supplied in connection with the Notes should purchase any Notes. 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 part thereof constitutes an offer or invitation by or on behalf of the Issuer to any person to subscribe for or to purchase any Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.

The delivery of this Prospectus or the offering, sale and delivery of the Notes does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof. Investors should review, *inter alia*, the most recent financial statements of the Issuer when deciding whether or not to purchase any Notes. Neither the Issuer nor the Seller has any obligation to update this Prospectus, except when required by the listing and issuing rules of Euronext Amsterdam and/or any applicable rules and regulations of Netherlands securities law.

The distribution of this Prospectus and the offering, sale and delivery of the Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Prospectus or any Notes come must inform themselves about, and observe, any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on distribution of this Prospectus (see *Purchase and Sale* below). The Notes have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or any other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the accuracy or adequacy of this Prospectus. Any representation to the contrary is unlawful.

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

In connection with the issue of the Notes, ABN AMRO Bank N.V., acting through its London branch, (the '**Stabilising Manager**'), or any duly appointed person acting for the Stabilising Manager may over-allot (provided that the aggregate Principal Amount Outstanding of the Notes allotted does not exceed 105 per cent. of the aggregate Principal Amount Outstanding of the Notes) or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the Closing Date and 60 days after the date of the allotment of the Notes. Stabilisation transactions shall be conducted in accordance with all applicable laws and regulations as amended from time to time.

All references in this Prospectus to '€' and 'Euro' refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

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SUMMARY

This summary must be read as an introduction to this Prospectus and any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole, including any amendment and supplement thereto and the documents incorporated by reference. Civil liability will only attach to the Issuer as the entity which has prepared the summary, if the summary is misleading, inaccurate or inconsistent when read together with other parts of the Prospectus. Where a claim relating to the information contained in a Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.

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

The Transaction

The Issuer will purchase and, on the Closing Date, accept the assignment from the Seller of the Receivables (i.e. the rights under or in connection with certain pre-selected Loans originated by the Seller) by means of a registered deed of assignment as a result of which legal title to the Receivables is transferred to the Issuer. Furthermore, the Issuer will on the Closing Date issue the Notes and use the proceeds of the Notes to pay to the Seller the Initial Purchase Price for the Receivables pursuant to the Receivables Purchase Agreement. In addition, the Issuer will pay the Deferred Purchase Price to the Seller, which is to be paid on the Quarterly Payment Date on which the Notes are redeemed in full and any Quarterly Payment Date thereafter in Deferred Purchase Price Instalments (see further *Receivables Purchase Agreement* below).

The Issuer will use receipts of principal and interest in respect of the Receivables together with amounts it receives under the Swap Agreement and the Floating Rate GIC and drawings from the Reserve Account to make payments of, inter alia, principal and interest due in respect of the Notes. The obligations of the Issuer in respect of the Notes will rank behind the obligations of the Issuer in respect of certain items set forth in the applicable priority of payments (see *Credit Structure* below). Prior to the occurrence of the Cumulative Default Trigger Event, payments of principal on the Notes will be made partly on a pro rata basis and partly on a sequential basis. After the occurrence of the Cumulative Default Trigger Event, each Class of Notes is redeemed on a sequential basis only.

Payments of interest and payments of principal, except for *pro rata* payments in accordance with Condition 6(b)(A)(I) prior to the occurrence of the Cumulative Default Trigger Event, on (a) the Mezzanine Class B Notes are subordinated to, inter alia, payments of interest and payments of principal on the Senior Class A Notes; (b) the Mezzanine Class C Notes are subordinated to, inter alia, payments of interest and payments of principal on the Senior Class A Notes and the Mezzanine Class B Notes; (c) the Junior Class D Notes are subordinated to, inter alia, payments of interest and payments of principal on the Senior Class A Notes, the Mezzanine Class B Notes and the Mezzanine Class C Notes, (d) the Subordinated Class E Notes are subordinated to, inter alia, payments of interest and payments of principal on the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes and the Junior Class D Notes and (e) the Subordinated Class F Notes are subordinated to, inter alia, payments of interest and payments of principal on the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes and the Subordinated Class E Notes and the right to payment of interest and principal in respect of each Class of Notes may be limited as more fully described herein under *Credit Structure* and *Terms and Conditions of the Notes*.

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

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

Pursuant to the Administration Agreement, the Pool Servicer will agree to provide (i) administration and management services in relation to the Loans, including, without limitation, the collection of payments of principal, interest and all other amounts in respect of the Loans and the Receivables and (ii) the implementation of arrears procedures including, if applicable, the enforcement of the Security Interests in respect of the Defaulted Receivables. In addition, the Issuer Administrator will agree to provide certain administration, calculation and cash management services to the Issuer, including without limitation, all calculations to be made in respect of the Notes pursuant to the Conditions (see *Administration Agreement* below).

The Issuer

SMILE Securitisation Company 2007 B.V. is incorporated under the laws of the Netherlands as a private company with limited liability ("*besloten vennootschap met beperkte aansprakelijkheid*") under number B.V. 1411873 and registered with the Commercial Register of the Chamber of Commerce of Amsterdam. The entire issued share capital of the Issuer is owned by the Shareholder. The Issuer is established to issue the Notes.

Security for the Notes

The Notes will be secured, indirectly through the Security Trustee, by (i) a first ranking pledge granted by the Issuer to the Security Trustee over the Receivables and (ii) a first ranking pledge by the Issuer to the Security Trustee over the Issuer's rights under or in connection with the Receivables Purchase Agreement, the Administration Agreement, the Floating Rate GIC and the Swap Agreement and in respect of the Transaction Accounts.

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

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

Interest on the Notes

The Notes will bear a floating rate of interest, payable quarterly in arrear on each Quarterly Payment Date. The rate of interest will be three months Euribor plus a margin. On the first Optional Redemption Date the margin of the Notes, other than the Senior Class A Notes, will be reset subject to and in accordance with the Conditions (See *Terms and Conditions of the Notes* below). From (and including) the Optional Redemption Date on which the Issuer exercises its option to redeem the Notes in accordance with Condition 6(c), no interest will accrue and will be due on each Class of Notes. If the Issuer exercises its option, the Senior Class A Notes will be fully redeemed on such date.

Redemption of the Notes

Unless previously redeemed, the Issuer will redeem all of the Notes at their respective Principal Amount Outstanding on the Quarterly Payment Date falling in December 2053, subject to, in respect of the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes, the Subordinated Class E Notes and the Subordinated Class F Notes, Condition 9(b).

On the Quarterly Payment Date falling in June 2007 and each Quarterly Payment Date thereafter, the Issuer will be obliged to apply the Notes Redemption Available Amount, which broadly consists of all amounts of principal received (i) as repayment on the Receivables, (ii) as pre-payment on the Receivables and (iii) in connection with a repurchase or sale of the Receivables, to (partially) redeem the Notes in accordance with the Principal Priority of Payments. Until the occurrence of the Cumulative Default Trigger Event, the Pro-rata Redemption Available Amount will be applied by the Issuer to redeem the Notes on a pro rata basis and the Sequential Redemption Available Amount will be applied by the Issuer to redeem the Notes on a sequential basis. After the occurrence of the Cumulative Default Trigger Event, the Issuer will apply the Notes Redemption Available Amount to redeem the Notes on a sequential basis only (see *Credit Structure and Terms and Conditions of the Notes*).

The Issuer will have the option to redeem all of the Notes but not some only on each Optional Redemption Date at their Principal Amount Outstanding subject to, in the case of the Mezzanine Class B Notes, the Mezzanine Class C Notes,

the Junior Class D Notes, the Subordinated Class E Notes and the Subordinated Class F Notes, Condition 9(b). If the Issuer exercises its option, the Senior Class A Notes will be redeemed in full. The Notes of the other Classes will be redeemed at their Principal Amount Outstanding less the relevant Principal Shortfall. In respect of each such Note, there will be from (and including) such date no further claim against the Issuer for the relevant Principal Shortfall. In addition, if in order to be able to redeem the Notes, the Receivables are sold to the Seller and there are Defaulted Receivables, the Notes of each such Class will on such date be redeemed less the relevant Estimated Shortfall. After such redemption, the Principal Amount Outstanding of each of the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes, the Subordinated Class E Notes and the Subordinated Class F Notes will be equal to the relevant Estimated Shortfall and subject to further redemption in accordance with Condition 6(c). Also, the Issuer will have the option to redeem the Notes for tax reasons in accordance with Condition 6(d). If the Seller exercises its Regulatory Call Option and/or the Clean-Up Call Option, the proceeds of such sale will form part of the Notes Redemption Available Amount and will be applied towards redemption of the Notes on a sequential basis in accordance with Condition 6(b)(A)(II) and subject to Condition 9(b) (see *Terms and Conditions of the Notes* below).

Listing

Application has been made to list the Notes on Eurolist by Euronext Amsterdam.

Rating

It is a condition precedent to issuance of the Notes that the Senior Class A Notes be assigned an 'Aaa' rating by Moody's and an 'AAA' rating by Fitch, an 'AAA' rating by S&P, the Mezzanine Class B Notes be assigned an 'Aa2' rating by Moody's, an 'AA+' rating by Fitch and an 'AA' rating by S&P, the Mezzanine Class C Notes be assigned an 'A1' rating by Moody's, an 'AA-' rating by Fitch and an 'A' rating by S&P, the Junior Class D Notes be assigned an 'Baa2' rating by Moody's, a 'BBB+' rating by Fitch and a 'BBB' rating by S&P and the Subordinated Class E Notes be assigned an 'Ba3' rating by Moody's, a 'BB-' rating by Fitch and a 'BB-' rating by S&P.

Risk factors

There are certain risk factors which the prospective Noteholders should take into account. These risk factors relate to, *inter alia*, the Notes, such as (but not limited to) the fact that the liabilities of the Issuer under the Notes are limited recourse obligations whereby the ability of the Issuer to meet such obligations will be dependent on the receipt by it of funds under the Receivables, the proceeds of the sale of the Receivables and the receipt by it of certain 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 Receivables (see *Risk Factors* below).

RISK FACTORS

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

RISK FACTORS REGARDING THE ISSUER

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, the Seller, the Swap Counterparty, the Issuer Administrator, the Pool Servicer, the Directors, the Paying Agent, the Reference Agent, the Managers, the Floating Rate GIC Provider or the Security Trustee, in whatever capacity acting. None of the Seller, the Swap Counterparty, the Issuer Administrator, the Pool Servicer, the Directors, the Paying Agent, the Reference Agent, the Managers, the Floating Rate GIC Provider 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. Furthermore, none of the Seller, the Swap Counterparty, the Issuer Administrator, the Pool Servicer, the Directors, the Paying Agent, the Reference Agent, the Managers, the Floating Rate GIC Provider and the Security Trustee will be under any obligation whatsoever to provide additional funds to the Issuer (save in the limited circumstances described herein).

The Issuer has limited resources available to meet 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 Receivables, the proceeds of the sale of any Receivables, the receipt by it of payments under the Swap Agreement and the receipt by it of interest in respect of the balance standing to the credit of the Transaction Accounts. In addition, the Issuer will have available to it the balance standing to the credit of the Reserve Account (which will be zero on the Closing Date but to which, on each Quarterly Payment Date, the Notes Interest Available Amount - to the extent available for such purpose - will be credited). See *Credit Structure* below.

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

The Issuer has counterparty risk exposure

Counterparties to the Issuer may not perform their obligations under the Relevant Documents, which may result in the Issuer not being able to meet its obligations under the Notes. It should be noted that there is a risk that (a) ABN AMRO Bank N.V. in its capacity as Seller, Issuer Administrator, Pool Servicer, Floating Rate GIC Provider, Swap Counterparty, Paying Agent and Reference Agent will not meet its obligations vis-à-vis the Issuer and (b) N.V. Algemeen Nederlands Trustkantoor ANT and ATC Management B.V. in their capacity as Directors will not perform their obligations under the relevant Management Agreements.

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

Under or pursuant to the Pledge Agreements, various Dutch law pledges will be granted by the Issuer to the Security Trustee. On the basis of these pledges the Security Trustee can exercise the rights afforded by Netherlands law to pledgees regardless of any bankruptcy or suspension of payments of the Issuer. The Issuer is a special purpose vehicle and it has been set up as a bankruptcy remote entity, as, among others, non-petition wording has been

included in the Relevant Documents and recourse by the Secured Parties has been limited to the assets of the Issuer. Therefore, it is unlikely that the Issuer will 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 prior to notification but after bankruptcy or suspension of payments 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 Receivables, but not the collection ("*innen*") of (interest and principal) payments in respect of the Receivables and (iii) the Security Trustee may be obliged to enforce its right of pledge within a reasonable period as determined by the judge-commissioner ("*rechter- commissaris*") appointed by the court in case of bankruptcy of the Issuer.

To the extent the assets pledged by the Issuer to the Security Trustee are future receivables, such assets are no longer capable of being pledged after a bankruptcy or suspension of payments of the Issuer takes effect. The Issuer has been advised that the assets pledged to the Security Trustee under the Trustee Assets Pledge Agreement should probably be regarded as future receivables. This would for example apply to amounts paid to the Transaction Accounts following the Issuer's bankruptcy or suspension of payments.

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

Under Netherlands law it is uncertain whether a security right can be validly created in favour of a party which is not the creditor of the claim which the security right purports to secure. Consequently, in order to secure the valid creation of the 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 Parties. There is no statutory law or case law available on 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. 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 Trustee Receivables Pledge Agreement and the Trustee Assets Pledge Agreement (see also *Description of Security* below).

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 Security Trustee is a special purpose vehicle and is therefore unlikely to become insolvent. However, the Secured Parties have a credit risk on the Security Trustee.

License requirement under the Act on Financial Supervision

Under the new Act on Financial Supervision ("*Wet op het Financieel Toezicht*"), which entered into force on 1 January 2007, a special purpose vehicle which services ("*beheert*") and administers ("*uitvoert*") loans granted to consumers must have a license under the Act on Financial Supervision. As some of the Loans may be granted to consumers, the Issuer must have a license. However, an exemption from the license requirement is available, if the special purpose vehicle outsources the servicing of the loans and the administration thereof to an entity holding a license under the Act on Financial Supervision. The Issuer has outsourced the servicing and administration of the Loans to the Pool Servicer. The Pool Servicer holds a license under the Act on Financial Supervision and the Issuer thus benefits from the exemption. However, if the Administration Agreement is terminated, the Issuer will need to outsource the servicing and administration of the Receivables to another licensed entity or it needs to apply for and hold a license itself. In the latter case, the Issuer will have to comply with the applicable requirements under the Act on Financial Supervision. If the Administration Agreement is terminated and the Issuer has not outsourced the servicing and administration of the Loans to a licensed entity and does not hold a license itself, the Issuer will have to terminate its activities and settle ("*afwickelen*") its existing agreements. This could result in early redemption of the Notes.

Risk related to the termination of the Swap Agreement

The Swap Counterparty will be obliged to make payments under the Swap Agreement without any withholding or deduction of taxes unless required by law. If any such withholding or deduction is required by law, the Swap

Counterparty will be required to pay such additional amount as is necessary to ensure that the net amount actually received by the Issuer will equal the full amount that the Issuer would have received had no such withholding or deduction been required. The Swap Agreement will provide, however, that if due to (i) action taken by a relevant taxing authority or brought in a court of competent jurisdiction, or (ii) any change in tax law, in both cases after the date of the Swap Agreement, the Swap Counterparty will, or there is a substantial likelihood that it will, be required to pay to the Issuer additional amounts for or on account of tax (a '**Tax Event**'), the Swap Counterparty may (with the consent of the Issuer and the Security Trustee) transfer its rights and obligations to another of its offices, branches or affiliates to avoid the relevant Tax Event.

The Swap Agreement will be terminable by one party if - *inter alia* - (i) an event of default (as defined therein) occurs in relation to the Issuer or the Swap Counterparty, (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) insolvency events of the Issuer. If the Swap Agreement terminates the Issuer will be exposed to changes in the relevant rates of interest. As a result, unless a replacement swap is entered into, the Issuer may have insufficient funds to make payments under the Notes.

RISK FACTORS REGARDING THE RECEIVABLES

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

Under Netherlands law, assignment of the legal title of claims, such as the Receivables, can be effectuated by means of a notarial or registered deed of assignment, without notification of the assignment to the debtors being required ("*stille cessie*"). The legal title of the Receivables will be assigned on the Closing Date by the Seller to the Issuer through a registered deed of assignment. The Receivables Purchase Agreement will provide that the assignment of the Receivables by the Seller to the Issuer will not be notified by the Seller or, as the case may be, the Issuer to the Borrowers except if certain events occur. For a description of certain of these notification events reference is made to the section *Receivables Purchase Agreement*.

Until notification of the assignment has been made to the Borrowers, the Borrowers under the Receivables can only validly pay to the Seller in order to fully discharge their payment obligations ("*bevrijdend betalen*") in respect thereof. The Seller has undertaken in the Receivables Purchase Agreement to pay before or on each Monthly Payment Date to the Issuer any amounts received in respect of the Receivables during the immediately preceding Monthly Calculation Period. However, receipt of such amounts by the Issuer is subject to the Seller actually making such payments. If the 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.

Payments made by Borrowers to the Seller prior to notification but after bankruptcy or emergency regulations in respect of the Seller having been declared will be part of the 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.

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

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

The Seller has represented and warranted that the general conditions applicable to the Loans provide that payments by the Borrowers should be made without set-off. Considering the wording of this clause, it is uncertain whether it is intended as a waiver by the Borrowers of their set-off rights vis-à-vis the Seller. Pursuant to Netherlands law a provision contained in the general conditions used by a person could be nullified – *inter alia* – if such provision is unreasonably

onerous ("*onredelijk bezwarend*") for the counterparty of such person. A clause containing a waiver of set-off by the counterparty contained in the general conditions is, subject to proof to the contrary, presumed to be unreasonably onerous if such counterparty does not act in the conduct of its profession or trade (i.e. a consumer). The Seller will represent and warrant that, to the best of its knowledge and after having made reasonable enquiries at origination in its ordinary course of business, the Borrowers acted in the course of their profession or trade when entering into a Loan. However, the fact that in the relationship with a consumer a provision (such as a waiver of set-off) is presumed to be unreasonably onerous may be relevant when determining whether such provision is unreasonably onerous vis-à-vis a counterparty which is not a consumer, particularly when this counterparty resembles a consumer. Should the waiver not be valid, the Borrowers will, in order to invoke a right of set-off, need to comply with the requirements for set-off.

A requirement for set-off is that the debtor should have a counterclaim which is enforceable at the moment the right of set-off is invoked. However, the claims of the Borrower are subject to a right of pledge in favour of the Seller created pursuant to the general conditions of the Seller which are applicable to the Loans and, therefore, it may be argued that the Borrower will on this basis not be entitled to invoke a right of set-off.

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

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

The Receivables Purchase Agreement provides that if a Borrower sets off amounts due to him by the Seller against the relevant Receivable and, as a consequence thereof, the Issuer does not receive the amount which it is entitled to receive in respect of such Receivable, the Seller will pay to the Issuer and/or the Security Trustee as soon as possible, but in any event ultimately on the Monthly Payment Date immediately succeeding such Monthly Calculation Period an amount equal to the difference between the amount which the Issuer would have received in respect of the relevant Receivable if no set-off had taken place and the amount actually received by the Issuer in respect of such Receivable.

To further secure the obligations of the Seller in this respect, the Seller will have an obligation to pledge or provide (as the case may be) the Trigger Collateral in favour of the Issuer and the Security Trustee respectively up to the Trigger Collateral Required Amount (see *Credit Structure* below). No guarantee can be given that the value of the Trigger Collateral from time to time will be sufficient to compensate the Issuer if the Seller does not comply with its obligations in this respect. Set-off by Borrowers could thus lead to losses under the Notes.

Risk that the Bank Security Rights will not follow the Receivables upon assignment to the Issuer

The mortgage deeds relating to some of the Receivables to be sold to the Issuer provide that the mortgage rights created pursuant to such mortgage deeds, not only secure the loan granted to the Borrower but also other liabilities and moneys that the Borrower, now or in the future, may owe to the Seller ('**Bank Mortgages**'). The Loans may also provide for rights of pledge granted in favour of the Seller, which secure the same debts as the Bank Mortgages (the '**Bank Pledges**') and jointly with the Bank Mortgages, the '**Bank Security Rights**'). The view set forth in the following paragraphs applies *mutatis mutandis* to such Bank Pledges.

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

The Issuer has been advised that 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.

The Issuer has been advised that there is a trend in recent legal literature to dispute the view set out in the preceding paragraph. Legal commentators following such trend argue that in case of assignment of a receivable secured by a bank 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 a bank 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 by some Dutch legal commentators (see second preceding paragraph), 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.

The Seller will represent and warrant that the mortgage deeds and the pledge agreements and the Loan Conditions in respect of the Loans of the Seller do not contain any explicit provision on the issue whether the mortgage right or the rights 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 in such a case the Bank Security Rights should (partially) follow the receivable as an 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 commentators on bank security rights in the past, which view continues to be defended by some legal commentators.

The above applies *mutatis mutandis* in the case of the pledge of the Receivables by the Issuer to the Security Trustee under the Trustee Receivables Pledge Agreement.

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

If the Bank Security Rights have (partially) followed the Receivables upon their assignment, the Bank Security Rights will be jointly-held by the Issuer and the Seller and will secure both the Receivables held by the Issuer (or the Security Trustee, as pledgee) and any claims held by the Seller (the "**Other Claims**").

If the Bank Security Rights are co-held by both the Issuer or the Security Trustee and the 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 Receivables Purchase Agreement the Seller, the Issuer and/or the Security Trustee (as applicable) have agreed that the Issuer and/or the Security Trustee (as applicable) will manage and administer such jointly-held rights. It is uncertain whether the foreclosure of the Bank Security Rights will be considered as day-to-day management and, consequently, the consent of the Seller's bankruptcy trustee (in case of bankruptcy) or administrator (in case of emergency regulations) may be required for such foreclosure.

The Seller, the Issuer and/or the Security Trustee (as applicable) will agree that in case of foreclosure the shares ("*aandelen*") in each jointly-held Security Interests of the Seller, the Issuer and/or the Security Trustee will be shared as follows. The share of the Issuer (or, as the case may be, the Security Trustee) will be equal to the amount of the proceeds of the relevant Security Interests multiplied by the quotient of the Outstanding Principal Amount of the Defaulted Receivable on the day the relevant Receivable becomes a Defaulted Receivable divided by the sum of (i) the Outstanding Principal Amount of such Defaulted Receivable and (ii) the amount of Other Claims and (iii) any other Receivables of the same Borrower, in each case on the day the relevant Receivable becomes a Defaulted Receivable (the '**Issuer Share**'). The share of the Seller will be equal to the amount of the proceeds of the relevant Security Interests multiplied by the quotient of the amount of the Other Claims on the day the relevant Receivable becomes a Defaulted Receivable divided by the sum of (i) the Outstanding Principal Amount of such Defaulted Receivable and (ii) the amount of the Other Claims and (iii) any other Receivables of the same Borrower, in each case on the day the relevant Receivable becomes a Defaulted Receivable (the '**Seller Share**'). Although support in legal literature can be found that parties can agree on the size of their respective shares in a manner different than would have followed from their legal relationship, in the absence of case law it is uncertain whether such an arrangement will be enforceable in all circumstances. As long as the Issuer Share and the Seller Share are equal to the shares of the Issuer and the Seller in the community of the Security Interests without taking into account the arrangement set forth in the Receivables Purchase Agreement, the situation should be the same. Whether such shares are equal depends on the factual circumstances but, assuming that the Seller will not acquire or obtain any Other Claims after a Receivable becomes a Defaulted Receivable, such shares are likely to be equal, in which case the uncertainty whether such a contractual arrangement will be enforceable in all circumstances would be irrelevant. However, to protect the interests of the Issuer it is agreed in the Receivables Purchase Agreement that in case of a breach by the Seller of its obligations under these agreements or if any of such agreement is dissolved, void, nullified or ineffective for any reason in respect of the Seller, the Seller shall compensate the Issuer and/or the Security Trustee (as applicable) for any and all loss, cost, claim, damage and expense whatsoever which the Issuer and/or the Security Trustee (as applicable) incurs as a result thereof during any Monthly Calculation Period. Such compensation will be paid by the Seller as soon as possible, but in any event ultimately on the Monthly Payment Date immediately succeeding such Monthly Calculation Period. 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 the Seller would not make such payments, this could result in losses under the Notes.

Risk that the mortgage rights on Long Leases cease to exist

The mortgage rights securing the Loans may be vested on a long lease ("*erfpacht*"), as further described in *Description of Loans* below. A long lease will, *inter alia*, end as a result of expiration of the long lease term (in the case of a lease for a fixed period), or termination of the long lease by the leaseholder or the landowner. The landowner can terminate the long lease in the event the leaseholder has not paid the remuneration due for a period exceeding two consecutive years or seriously breaches ("*in ernstige mate tekortschiet*") other obligations under the long lease. If 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 terminated by the conditions of the long lease and may be less than the market value of the long lease. If this is the case, it could result in losses under the Notes.

Risk that interest rate reset rights will not follow Receivables

The Issuer has been advised that a good argument can be made that the right to reset the interest rate on the Loans should be considered as an ancillary right which follows the 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 Receivables to the Issuer or upon the pledge of the Receivables to the Security Trustee, such assignee or pledgee will be bound by the contractual provisions relating to

the reset of interest rates. If the interest reset right remains with the Seller, in the case of insolvency of the Seller, the co-operation of the receiver (in bankruptcy) or administrator (in emergency regulations) would be required to reset the interest rates.

Risk related to prepayments on the 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 Receivables by the Issuer, Net Proceeds upon enforcement of a Loan and repurchase by the Seller of Receivables) on the Loans. The average maturity of the Notes may be adversely affected by a higher or lower than anticipated rate of prepayments on the Loans. The rate of prepayment of 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 Loans may experience, and variation in the rate of prepayments of principal on the Loans may affect each Class of Notes differently. The estimated weighted average lives must therefore be viewed with considerable caution and Noteholders should make their own assessment thereof.

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

Payments on the Receivables are subject to credit, liquidity and interest rate risks. This may be due to, among other things, market interest rates, general economic conditions, the financial standing of Borrowers and 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 Receivables.

Risks of Losses associated with Security Interests

The value of the right of pledge on the Receivables created under the Trustee Receivables Pledge Agreement as security for the Notes may be affected by, among other things, the following factors (i) not all Receivables are secured by Security Interests, (ii) some Receivables are secured by a Security Interest that ranks behind higher ranking security rights, (iii) the value of the Mortgaged Assets and the value of other assets subject to the Security Interests may not be sufficient to recover the Outstanding Principal Amount of the relevant Receivable(s) and the Other Claims, (iv) the amount of the Other Claims may fluctuate over time and (v) the Issuer is only entitled to receive the Issuer Share from the proceeds of the Security Interests. No assurance can be given that values of the Mortgaged Assets and the value of other assets subject to the Security Interests remain or will remain at the level at which they were on the date of origination of the related Loans. All of these factors could result in losses to the Noteholders. The Seller will not be liable for any such losses incurred by the Issuer.

Risk that right of pledge on rent instalments may not be effective

Some of the Receivables may be (amongst others) secured by a right of pledge on rent instalments ("*huurpenningen*") owed by third parties to some of the Borrowers. The Issuer has been advised that under Dutch law, rent instalments are regarded as future claims ("*toekomstige vorderingen*") and a right of pledge thereon will only become effective at the time the relevant rent instalment becomes due ("*vervalt*"). In the event a rent instalment becomes due after the relevant Borrower has been declared bankrupt ("*failliet verklaard*") or been made subject to insolvency proceedings ("*surseance van betaling verleend*"), such rent instalment will become part of the relevant Borrower's bankruptcy estate and is no longer subject to a right of pledge.

Risk that foreclosure value of assets subject to certain of the Security Interests may be relatively low

Some of the Receivables are (amongst others) secured by means of a right of pledge on stock ("*voorraden*") and/or on equipment and inventory ("*inventaris*"). The foreclosure value of movable assets such as stock, equipment and inventory is often substantially lower than the original purchase price of these assets. The Issuer Share of the foreclosure value of these assets may therefore be lower than the Outstanding Principal Amount of the relevant Receivable at the time of the foreclosure.

Risks in respect of Loan Interest Rates

Due to a potential mismatch between the rates of interest in respect of the Receivables and the floating rates of interest applicable to the Notes, there is a risk that the interest received in respect of the Receivables and the Transaction

Accounts is not sufficient to pay the floating interest on the Notes. This risk is mitigated by the Swap Agreement. In addition, the Seller will undertake in the Receivables Purchase Agreement to determine and set the interest rate in respect of the Receivables in accordance with the Loan Conditions. The Noteholders are exposed to the risk in respect of loan interest rates if, for whatever reason, the Swap Counterparty defaults in respect of its obligations under the Swap Agreement or if the Swap Agreement is terminated prior to its scheduled termination date and not (timely) replaced, up to the difference between the interest received and the interest payable on the Notes. See further *Credit Structure* below.

RISK FACTORS REGARDING THE NOTES

European Union Directive on the taxation of savings

On 3 June 2003 the Council of the European Union adopted a Council Directive on the taxation of savings income in the form of interest payments (the '**Directive**'). The Directive applies to interest payments (as defined in the Directive) made in one Member State to or for individual beneficial owners (as defined in the Directive) who are resident in another Member State and requires all Member States to adopt an information reporting system with regard to such payments. However, for a transitional period, Austria, Belgium, and Luxembourg are permitted to operate a withholding tax system.

Application of the Directive by Member States was conditional on certain European third countries (Switzerland, Andorra, Liechtenstein, Monaco, and San Marino) and certain dependent or associated territories (Anguilla, Aruba, British Virgin Islands, Cayman Islands, Guernsey, Isle of Man, Jersey, Montserrat, Netherlands Antilles, Turks and Caicos Islands) applying equivalent or, respectively, the same measures from the same date. On 24 June 2005, the Council confirmed in a "green light note" that all parties (including the EU Member States) will apply the agreed savings tax measures from 1 July 2005. The transitional period commenced on the same date.

Under the information reporting system, a Member State will automatically communicate to the beneficial owner's Member State of residence information regarding interest payments (including the identity and residence of the beneficial owner) made by paying agents (as defined in the Directive) established within the former Member State, without requiring reciprocity. Under the withholding tax system (for Austria, Belgium, and Luxembourg), a Member State will levy a withholding tax in respect of interest payments made by paying agents established within its territory at a rate of 15 per cent. during the first three years of the transitional period, 20 per cent. for the subsequent three years, and 35 per cent. thereafter. The transitional period will end, and those Member States permitted to levy a withholding tax will, instead, be required to implement an information reporting system at the end of the first fiscal year following agreement regarding information exchange by certain non-EU countries with respect to interest payments. Similar provisions apply to interest payments made by paying agents established in the above-mentioned European third countries and dependent or associated territories to beneficial owners resident in an EU Member State (and in some cases vice versa).

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

The Netherlands has adopted legislation implementing the provisions of the Directive. These provisions came into force in part on 1 January 2004 and the remainder on 1 July 2005. An individual Holder of Notes who is resident in an EU Member State other than the Netherlands or, in certain of the above-mentioned European third countries and dependent or associated territories, may become subject to the automatic supply of information to the jurisdiction in which the individual is resident with regard to interest payments made by (or in certain cases, to) paying agents established in the Netherlands. However, although the above-mentioned legislation provides for the possibility of extending the effective application of the Directive to individuals resident in the above-mentioned European third countries and dependent or associated territories, the legislation has only been extended to individuals resident in Aruba, British Virgin Islands, Guernsey, Isle of Man, Jersey, Montserrat, and Netherlands Antilles.

Risk that the Issuer will not exercise its right to redeem the Notes at the Optional Redemption Dates

As a result of the increase in the margin payable on and from the first Optional Redemption Date in respect of the interest on the Notes, other than the Senior Class A Notes, the Issuer will have an incentive to exercise its right to redeem the Notes on the first Optional Redemption Date or on any Optional Redemption Date thereafter. The Issuer may only exercise such option to redeem the Notes after consultation of the Senior Class A Noteholders. If there is a conflict of interest between holders of any Classes of Notes, the Security Trustee shall have regard only to the interests of the holders of the Most Senior Class of Notes. 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 Receivables still outstanding at that time. The Notes, other than the Senior Class A Notes, can be redeemed at an amount less than their Principal Amount Outstanding (see Conditions 6(c) and 9(b) in *Terms and Conditions of the Notes* below) as more fully described under *Maturity Risk*.

Maturity Risk

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 or, as the case may be, in case of redemption for tax reasons in accordance with Condition 6(d) in full and to pay all amounts due to the Noteholders, including after the occurrence of an Event of Default, may depend upon whether the value of the Receivables is sufficient to redeem the Notes.

If the Issuer exercises its right to redeem the Notes on any Optional Redemption Date, it shall first offer such Receivables for sale to the Seller. The Seller shall within a period of 15 business days inform the Issuer whether it wishes to repurchase the Receivables. After such 15 business day period, the Issuer may offer such Receivables for sale to any third party.

In the case of a sale to the Seller the Issuer will sell (i) the Receivables (other than Defaulted Receivables) for a price equal to the aggregate Outstanding Principal Amount of such Receivables together with any accrued interest up to but excluding the date of repurchase and re-assignment of the relevant Receivables and any costs incurred by the Issuer in effecting and completing such sale and re-assignment and (ii) the Defaulted Receivables for a purchase price which consists of an initial purchase price and a deferred purchase price. The initial purchase price, which will be paid on the date of repurchase and re-assignment of the relevant Defaulted Receivables, shall be equal to the sum of (i) the Market Value and (ii) any costs incurred by the Issuer in effecting and completing such sale and re-assignment. The deferred purchase price will be the sum of four instalments which will be paid on each subsequent Quarterly Payment Date. The amount of each of the first three instalments will be equal to the positive difference between (i) the total amount the Seller has received or recovered in respect of the Defaulted Receivables and (ii) the (part of the) purchase price already paid to the Issuer in respect of the Defaulted Receivables. The fourth and last deferred purchase price instalment will be equal to the positive difference between (i) the Final Market Value and (ii) the (part of the) purchase price already paid to the Issuer in respect of the Defaulted Receivables. Upon the sale of the Receivables (including any Defaulted Receivables) to the Seller, the Estimated Loss Amount will be debited to the Estimated Loss Ledger.

The Issuer, the Security Trustee and the Seller shall jointly determine the amounts of the Market Value and the Final Market Value of the Defaulted Receivables. The Market Value will not be valued by an independent party, but the Final Market Value will be audited by an external accountant. Notwithstanding the foregoing, the Final Market Value may be lower than the aggregate Outstanding Principal Amount of the Defaulted Receivables. This could mean that the Noteholders may receive by way of principal repayment on the Notes an amount less than the face amount of their Notes.

In the case of a sale to a third party, the Issuer will use its best efforts to sell the Receivables (including any Defaulted Receivables) for a price equal to the higher of (i) the aggregate Outstanding Principal Amount in respect of such Receivables together with and any accrued interest up to but excluding the date of repurchase and re-assignment of the relevant Receivables and any costs incurred by the Issuer in effecting and completing such sale and re-assignment and (ii) the aggregate market value of such Receivables. Notwithstanding the Issuer's best efforts undertaking, if such purchase price is lower than the aggregate Outstanding Principal Amount in respect of such Receivables, this will result in a Realised Loss, which will be debited to the Principal Deficiency Ledger and which may, depending on the balance on the Reserve Account, result in a Principal Shortfall in respect of a Class of Notes. This could mean that the

Noteholders may receive by way of principal repayment on the Notes an amount less than the face amount of their Notes.

With the proceeds of a sale to either the Seller or a third party, it will redeem the Senior Class A Notes in full and the Notes of other Classes on a sequential basis at their Principal Amount Outstanding less the sum of the relevant Principal Shortfall and, if the Receivables are sold to the Seller and there are Defaulted Receivables, the relevant Estimated Shortfall. The Principal Shortfall in respect of a Note of a Class on such date is an amount equal to the balance on the relevant sub-ledger of the Principal Deficiency Ledger on a Quarterly Payment Date divided by the number of the Notes of the relevant Class on such Quarterly Payment Date. If the Issuer redeems the Notes in accordance with Condition 6(c), the Principal Shortfall will be reduced to zero. If the Receivables have been sold to the Seller and there are Defaulted Receivables, the Principal Amount Outstanding of each of the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes, the Subordinated Class E Notes and the Subordinated Class F Notes will after such redemption be equal to the relevant Estimated Shortfall.

Delays in redemption in respect of Defaulted Receivables

The Notes will be subject to optional redemption in accordance with Condition 6(c), but part of the redemption payments may be delayed if the sale of Defaulted Receivables to the Seller results in an Estimated Shortfall. After such redemption, the Principal Amount Outstanding of each of the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes, the Subordinated Class E Notes and the Subordinated Class F Notes will be equal to the relevant Estimated Shortfall. Subject to and in accordance with Condition 6(c), there may be further redemption payments in respect of such remaining Principal Amount Outstanding on the four succeeding Quarterly Payment Dates. From (and including) the Optional Redemption Date on which the Issuer redeems the Notes (other than the Senior Class A Notes, which will be fully redeemed on such date) in accordance with Condition 6(c), no interest will accrue and will be due on each Class of Notes. There will be no further claim on the Issuer for any Principal Amount Outstanding in respect of the Notes after the date on which the Issuer no longer holds any Receivables and there are no balances standing to the credit of the Transaction Accounts and the Issuer has no further rights under or in connection with any of the Relevant Documents.

Regulatory Call Option and Clean-Up Call Option

Should the Seller exercise its Regulatory Call Option or the Clean-Up Call Option, the Issuer will redeem the Notes by applying the proceeds of the sale of the Receivables towards redemption of the Notes on a sequential basis in accordance with Condition 6(b)(A)(II) and subject to Condition 9(b) on the immediately succeeding Quarterly Payment Date, whether falling before or after the first Optional Redemption Date.

Liquidity Risk

There is a risk of temporary liquidity problems if interest on the Receivables is not received on time. This risk is mitigated by the Reserve Account and the Swap Agreement (see *Credit Structure* below).

Payments in respect of interest

If there is a balance on the Principal Deficiency Ledger, the balance of the Reserve Account may not be sufficient to cover the entire shortfall of interest, in which case the Issuer may not have sufficient funds available to pay interest on all or some Classes of Notes. Failure to pay interest on the Notes, other than the Senior Class A Notes, does not constitute an Event of Default (see Conditions 10 and 9(a)).

The Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes, the Subordinated Class E Notes and the Subordinated Class F Notes bear a greater risk than the Senior Class A Notes

Payments of interest and payments of principal, except for *pro rata* payments in accordance with the provisions of Condition 6(b)(A)(I) prior to the occurrence of the Cumulative Default Trigger Event, on (a) the Mezzanine Class B Notes are subordinated to, *inter alia*, payments of interest and payments of principal on the Senior Class A Notes; (b) the Mezzanine Class C Notes are subordinated to, *inter alia*, payments of interest and payments of principal on the Senior Class A Notes and the Mezzanine Class B Notes; (c) the Junior Class D Notes are subordinated to, *inter alia*, payments of interest and payments of principal on the Senior Class A Notes, the Mezzanine Class B Notes and the Mezzanine Class C Notes, (d) the Subordinated Class E Notes are subordinated to, *inter alia*, payments of interest and payments of principal on the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes and

the Junior Class D Notes and (e) the Subordinated Class F Notes are subordinated to, *inter alia*, payments of interest and payments of principal on the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes and the Subordinated Class E 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 the Issuer may be unable to pay in full interest due on the Notes, to the extent set forth in Condition 9. On any Quarterly Payment Date, any Realised Losses on the Loans will be allocated as described in *Credit Structure* below. In addition, on the Optional Redemption Date on which the Issuer exercises its option to (partially) redeem the Notes in accordance with Condition 6(c) and on such date there are Defaulted Receivables and the Receivables are sold to the Seller, the Estimated Loss Amount will be debited to the Estimated Loss Ledger as described in *Credit Structure* below. If in the case of a sale to a third party, the purchase price of the Receivables is lower than the aggregate Outstanding Principal Amount in respect of such Receivables, this will result in a Realised Loss, which will be debited to the Principal Deficiency Ledger and which may, depending on the balance on the Reserve Account, result in a Principal Shortfall in respect of a Class of Notes. As a result the Noteholders (other than the Senior Class A Noteholders) may receive by way of principal repayment on the Notes an amount less than the face amount of their Notes (see *Maturity Risk* above).

Risk related to the limited liquidity of the Notes

There can be no assurance that a secondary market for the Notes will develop or, if a secondary market does develop, that it will provide Noteholders with liquidity of investment or that it will continue for the life of the Notes. To date, no underwriter has indicated that they intend to establish and/or maintain a secondary market in the Notes.

No Gross-up for Taxes

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

Proposed Changes to the Basel Capital Accord

The Basel Committee on Banking Supervision (the '**Committee**') has issued proposals for reform of the 1988 Capital Accord and has proposed a framework which places enhanced emphasis on market discipline and sensitivity to risk. The third consultative paper on the New Basel Capital Accord was issued on 29 April 2003, with the consultation period ending on 31 July 2003. The Committee announced on 11 May 2004 that it had achieved consensus on the remaining issues and published the text of the new framework on 26 June 2004 under the title "Basel II: International Convergence of Capital Measurement and Capital Standards: a Revised Framework". This framework will serve as the basis for national rule-making and approval processes to continue and for banking organisations to complete their preparations for implementation of the new framework. The Committee confirmed that it is currently intended that the various approaches under the framework will be implemented in stages, some from year-end 2006, the most advanced at year-end 2007. In Autumn 2005, the translation of Basel II to EU legislation was adopted (the '**Capital Requirements Directive**'). The Capital Requirements Directive was implemented in the Netherlands on 1 January 2007 although part will come into effect on a later date. The Capital Requirements Directive could affect the risk weighting of the Notes in respect of certain investors if those investors are regulated in a manner which will be affected by the Capital Requirements Directive. Consequently, prospective investors should consult their own advisers as to the consequences to and effect on them of the potential application of the New Basel Capital Accord. The precise effects of implementation of the Capital Requirements Directive cannot be predicted.

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.

Credit ratings may not reflect all risks

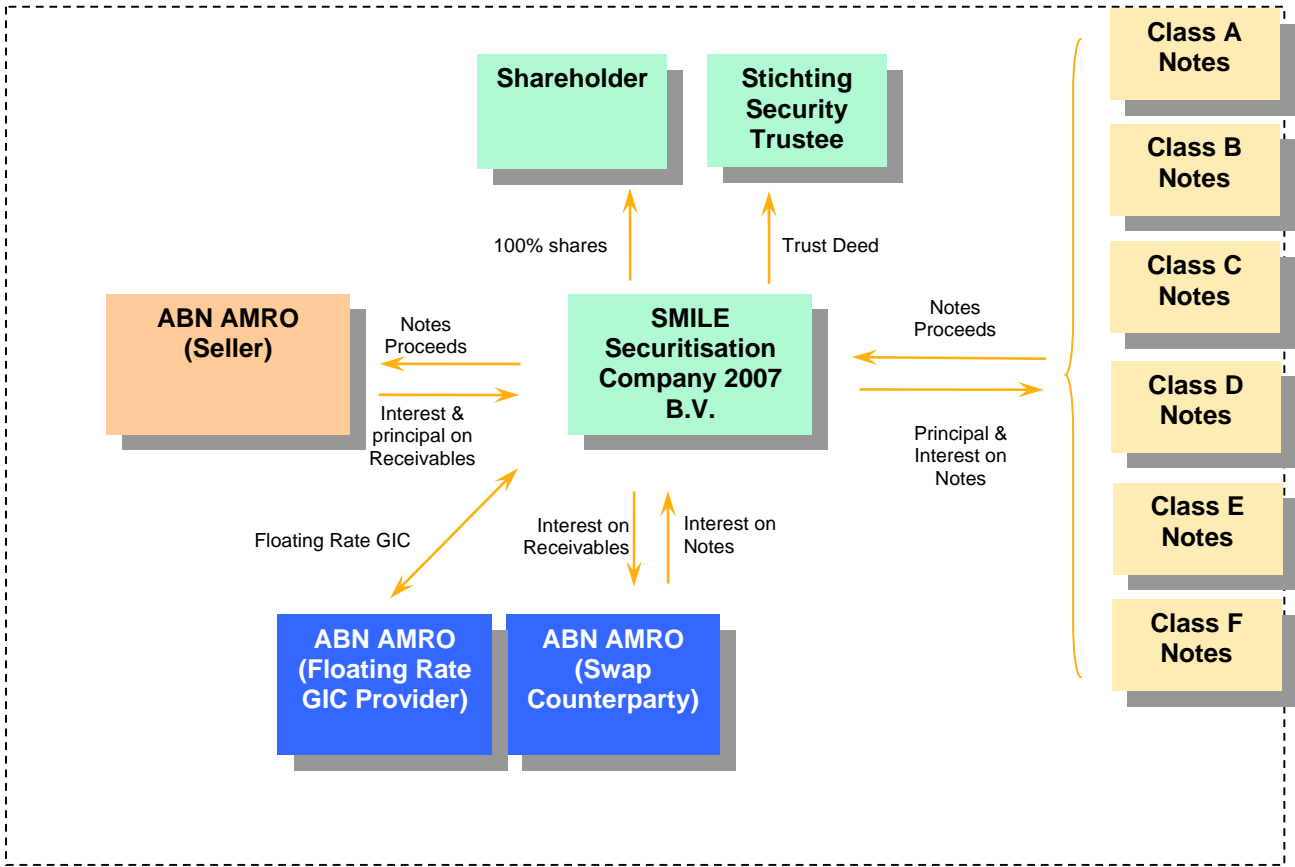
The rating of each of the Rated Notes addresses the assessments made by the Rating Agencies of the likelihood of full and timely payment of interest and ultimate payment of principal on or before the Final Maturity Date.

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

Risk relating to denomination of the Notes

In relation to any issue of Notes which have a denomination consisting of the minimum denomination of euro 50,000 plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of euro 50,000 (or its equivalent) that are not multiples of euro 50,000 (or its equivalent). In such a case a Noteholder who, as a result of trading such Notes, holds a principal amount of less than the minimum denomination of euro 50,000, may not receive a Note in respect of such holding and would need to purchase a principal amount of Notes in order to hold an amount for at least the minimum denomination of euro 50,000.

STRUCTURE DIAGRAM



	<u>Senior Class A Notes</u>	<u>Mezzanine Class B Notes</u>	<u>Mezzanine Class C Notes</u>	<u>Junior Class D Notes</u>	<u>Subordinated Class E Notes</u>	<u>Subordinated Class F Notes</u>
Principal Amount Outstanding upon issue	€4,564,563,000	€98,141,000	€73,606,000	€73,606,000	€83,420,000	€14,721,000
Credit Enhancement	(a) Payments of interest and payments of principal, except for <i>pro rata</i> payments in accordance with Condition 6(b)(A)(I) prior to the occurrence of the Cumulative Default Trigger Event, are ranking in priority in respect of the Subordinated Class F Notes, the Subordinated Class E Notes, the Junior Class D Notes, the Mezzanine Class C Notes and the Mezzanine Class B Notes and (b) the Excess Margin	(a) Payments of interest and payments of principal, except for <i>pro rata</i> payments in accordance with Condition 6(b)(A)(I) prior to the occurrence of the Cumulative Default Trigger Event, are ranking in priority in respect of the Subordinated Class F Notes, the Subordinated Class E Notes, the Junior Class D Notes and the Mezzanine Class C Notes and (b) the Excess Margin	(a) Payments of interest and payments of principal, except for <i>pro rata</i> payments in accordance with Condition 6(b)(A)(I) prior to the occurrence of the Cumulative Default Trigger Event, are ranking in priority in respect of the Subordinated Class F Notes, the Subordinated Class E Notes and the Junior Class D and (b) the Excess Margin	(a) Payments of interest and payments of principal, except for <i>pro rata</i> payments in accordance with Condition 6(b)(A)(I) prior to the occurrence of the Cumulative Default Trigger Event, are ranking in priority in respect of the Subordinated Class F Notes, the Subordinated Class E Notes and (b) the Excess Margin	(a) Payments of interest and payments of principal, except for <i>pro rata</i> payments in accordance with Condition 6(b)(A)(I) prior to the occurrence of the Cumulative Default Trigger Event, are ranking in priority in respect of the Subordinated Class F Notes and (b) the Excess Margin	Excess Margin
Margin up to but excluding Quarterly Payment Date falling in March 2015 (first	0.09 per cent. p.a.	0.15 per cent. p.a.	0.25 per cent. p.a.	0.53 per cent. p.a.	2.50 per cent. p.a.	10.00 per cent. p.a.

Optional Redemption Date)						
Margin from and including Quarterly Payment Date in March 2015 (first Optional Redemption Date)	0.09 per cent. p.a.	0.225 per cent. p.a.	0.375 per cent. p.a.	0.795 per cent. p.a.	3.75 per cent. p.a.	15.00 per cent. p.a.
Interest from and including the Optional Redemption Date on which the Issuer redeems the Notes in accordance with Condition 6(c)	n.a.	none	none	none	none	none
Interest Accrual	Act/360	Act/360	Act/360	Act/360	Act/360	Act/360
Quarterly Payment Dates	Interest and principal will be payable quarterly in arrear on June 20th, September 20th, December 20th and March 20th, subject to adjustment for non-business days					
Final Maturity Date	2053	2053	2053	2053	2053	2053
Denomination	Euro 50,000 each with additional increments of minimum Euro 1,000	Euro 50,000 each with additional increments of minimum Euro 1,000	Euro 50,000 each with additional increments of minimum Euro 1,000	Euro 50,000 each with additional increments of minimum Euro 1,000	Euro 50,000 each with additional increments of minimum Euro 1,000	Euro 50,000 each with additional increments of minimum Euro 1,000
Form	The Notes will be in bearer form					
Listing	Euronext Amsterdam	Euronext Amsterdam	Euronext Amsterdam	Euronext Amsterdam	Euronext Amsterdam	Euronext Amsterdam
Rating	'AAA' by	'AA+' by Fitch	'AA-' by Fitch	'BBB+' by	'BB-' by	None

	Fitch 'Aaa' by Moody's 'AAA' by S&P	'Aa2' by Moody's 'AA' by S&P	'A1' by Moody's 'A' by S&P	Fitch 'Baa2' by Moody's 'BBB' by S&P	Fitch 'Ba3' by Moody's 'BB-' by S&P	
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THE PARTIES AND PRINCIPAL FEATURES OF THE TRANSACTION

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

THE PARTIES:

Issuer:	SMILE Securitisation Company 2007 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, the Netherlands, and registered with the Commercial Register of the Chamber of Commerce of Amsterdam, the Netherlands under number 34264642. The entire issued share capital of the Issuer is owned by the Shareholder.
Seller:	ABN AMRO Bank N.V. (' ABN AMRO '), incorporated under the laws of the Netherlands as a public limited liability company (" <i>naamloze vennootschap</i> ") having its corporate seat in Amsterdam, the Netherlands.
Issuer Administrator:	ABN AMRO.
Pool Servicer:	ABN AMRO.
Security Trustee:	Stichting Security Trustee SMILE Securitisation 2007, established under the laws of the Netherlands as a foundation (" <i>stichting</i> ") and registered with the Commercial Register of the Chamber of Commerce of Amsterdam, the Netherlands.
Shareholder:	Stichting Holding SMILE Securitisation 2007, established under the laws of the Netherlands as a foundation (" <i>stichting</i> ") and registered with the Commercial Register of the Chamber of Commerce of Amsterdam, the Netherlands.
Issuer Director:	ATC Management B.V., incorporated under the laws of the Netherlands as a private company with limited liability.
Shareholder Director:	ATC Management B.V.
Security Trustee Director:	N.V. Algemeen Nederlands Trustkantoor ANT, incorporated under the laws of the Netherlands as a public company.
Swap Counterparty:	ABN AMRO.
Floating Rate GIC Provider:	ABN AMRO.
Paying Agent:	ABN AMRO.
Reference Agent:	ABN AMRO.

Listing Agent:

ABN AMRO.

Common Depositary:

ABN AMRO Bank N.V., acting through its London branch, will act as Common Depositary for the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes, the Subordinated Class E Notes and the Subordinated Class F Notes deposited with Euroclear and Clearstream, Luxembourg. The Senior Class A Notes will be deposited directly with Euroclear Netherlands and will be eligible for trading in Clearstream, Luxembourg and Euroclear.

THE NOTES:**The Notes:**

The Euro 4,563,564,000 Senior Class A Asset-Backed Notes due 2053 (the '**Senior Class A Notes**'), the Euro 98,141,000 Mezzanine Class B Asset-Backed Notes due 2053 (the '**Mezzanine Class B Notes**'), the Euro 73,606,000 Mezzanine Class C Asset-Backed Notes due 2053 (the '**Mezzanine Class C Notes**'), the Euro 73,606,000 Junior Class D Asset-Backed Notes due 2053 (the '**Junior Class D Notes**') and the Euro 83,420,000 Subordinated Class E Asset-Backed Notes due 2053 (the '**Subordinated Class E Notes**'), and together with the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes and the Junior Class D, the '**Rated Notes**') and the Euro 14,721,000 Subordinated Class F Asset-Backed Notes due 2053 (the '**Subordinated Class F Notes**') and together with the Rated Notes, the '**Notes**') will be issued by the Issuer on 26 February 2007 (or such later date as may be agreed between the Issuer and the Arranger) (the '**Closing Date**').

Issue Price:

The issue prices of the Notes will be as follows:

- (i) the Senior Class A Notes 100 per cent.;
- (ii) the Mezzanine Class B Notes 100 per cent.;
- (iii) the Mezzanine Class C Notes 100 per cent.;
- (iv) the Junior Class D Notes 100 per cent.;
- (v) the Subordinated Class E Notes 100 per cent.; and
- (vi) the Subordinated Class F Notes 100 per cent.;

Denomination:

The Notes will be issued in denominations of Euro 50,000 with additional increments of minimum Euro 1,000.

Status and Ranking:

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

Payments of interest and payments of principal, except for *pro rata* payments in accordance with Condition 6(b)(A)(I) prior to the occurrence of the Cumulative Default Trigger Event, on (a) the Mezzanine Class B Notes are subordinated to, *inter alia*, payments of interest and payments of principal on the Senior Class A Notes; (b) the Mezzanine Class C Notes are subordinated to, *inter alia*, payments of interest and payments of principal on the Senior Class A Notes and the Mezzanine Class B

Notes; (c) the Junior Class D Notes are subordinated to, *inter alia*, payments of interest and payments of principal on the Senior Class A Notes, the Mezzanine Class B Notes and the Mezzanine Class C Notes, (d) the Subordinated Class E Notes are subordinated to, *inter alia*, payments of interest and payments of principal on the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes and the Junior Class D Notes and (e) the Subordinated Class F Notes are subordinated to, *inter alia*, payments of interest and payments of principal on the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes and the Subordinated Class E Notes. See *Terms and Conditions of the Notes* below.

Interest:

Interest is payable on the Notes by reference to successive quarterly interest periods (each an '**Interest Period**') and will be payable quarterly in arrear in Euros in respect of the Principal Amount Outstanding of such Notes on the 20th day of June, September, December and March (or, if such day is not a Business Day, the next succeeding Business Day, unless such Business Day falls in the next succeeding calendar month in which event the Business Day immediately preceding such 20th day) in each year (each such day being a '**Quarterly Payment Date**'). Each successive Interest Period will commence on (and include) a Quarterly Payment Date and end on (but exclude) the next succeeding Quarterly Payment Date, except for the first Interest Period, which will commence on (and include) the Closing Date and will end on (but exclude) the Quarterly Payment Date falling in June 2007. The interest will be calculated on the basis of the actual number of days in an Interest Period divided by a year of 360 days.

A '**Business Day**' means a day on which banks are open for business in Amsterdam, provided that such day is also a day on which the Trans-European Automated Real-Time Gross Settlement European Transfer System ('**Target System**') or any successor thereto is operating credit or transfer instructions in respect of payments in Euro.

Interest on the Notes for each Interest Period from the Closing Date will accrue at a rate equal to the sum of the Euro Interbank Offered Rate ('**Euribor**') for three-months deposits in Euro (determined in accordance with Condition 4(e)) (or, in respect of the first Interest Period, the rate which represents the linear interpolation of Euribor for three and four months deposits in Euro, rounded, if necessary, to the 5th decimal place with 0.000005 being rounded upwards) plus a margin which will for the Senior Class A Notes be equal to 0.09 per cent. per annum and, up to (but excluding) the first Optional Redemption Date, for the Mezzanine Class B Notes be equal to 0.15 per cent. per annum, for the Mezzanine Class C Notes be equal to 0.25 per cent. per annum, for the Junior Class D Notes be equal to 0.53 per cent. per annum, for the Subordinated Class E Notes be equal to 2.50 per cent. per annum and for the Subordinated

Class F Notes be equal to 10.00 per cent. per annum.

Interest Step-up:

If on the first Optional Redemption Date the Notes have not been redeemed in full, the margin applicable to the relevant Class of Notes, other than the Senior Class A Notes, will be reset to, in the case of the Mezzanine Class B Notes, 0.225 per cent. per annum, in the case of the Mezzanine Class C Notes, 0.375 per cent. per annum, in the case of the Junior Class D Notes, 0.795 per cent. per annum, in the case of the Subordinated Class E Notes, 3.75 per cent. per annum and in the case of the Subordinated Class F Notes, 15.00 per cent. per annum. The margin on the Senior Class A Notes will not be reset.

Interest after redemption in accordance with Condition 6(c):

From (and including) the Optional Redemption Date on which the Issuer redeems the Notes (other than the Senior Class A Notes, which will be fully redeemed on such date) in accordance with Condition 6(c), no interest will accrue and will be due on each Class of Notes.

Final Maturity Date:

Unless previously redeemed and subject to the Conditions, the Issuer will redeem the Notes at their respective Principal Amount Outstanding on the Quarterly Payment Date falling in December 2053 (the '**Final Maturity Date**').

Mandatory Redemption of the Notes:

Prior to the delivery of an Enforcement Notice to the Issuer in accordance with Condition 10, the Issuer will be obliged to apply the Notes Redemption Available Amount on each Quarterly Payment Date to redeem in whole or in part the Notes at their respective Principal Amount Outstanding, subject to Condition 9(b) as follows:

A. prior to the occurrence of the Cumulative Default Trigger Event:

(I) Pro-rata Redemption of the Notes

On the Quarterly Payment Date falling in June 2007 and each Quarterly Payment Date thereafter the Issuer shall be obliged to apply the Pro-rata Redemption Available Amount (as defined in Condition 6(f)) to redeem (or partially redeem) the Notes at their Principal Amount Outstanding on a *pro rata* basis as follows:

- (i) *first*, the Senior Class A Notes by applying the Senior Class A Pro-rata Redemption Amount as defined in Condition 6 (f);
- (ii) *second*, the Mezzanine Class B Notes by applying the Mezzanine Class B Pro-rata Redemption Amount as defined in Condition 6 (f);
- (iii) *third*, the Mezzanine Class C Notes by applying the Mezzanine Class C Pro-rata Redemption Amount as defined in Condition 6 (f);
- (iv) *fourth*, the Junior Class D Notes by applying the Junior Class D Pro-rata Redemption Amount as defined in Condition 6 (f);

- (v) *fifthly*, the Subordinated Class E Notes by applying the Subordinated Class E Pro-rata Redemption Amount as defined in Condition 6 (f); and
- (vi) *sixthly*, the Subordinated Class F Notes by applying the Subordinated Class F Pro-rata Redemption Amount as defined in Condition 6 (f).

(II) *Sequential Redemption of the Notes*

On the Quarterly Payment Date falling in June 2007 and each Quarterly Payment Date thereafter the Issuer shall be obliged to apply the Sequential Redemption Available Amount (as defined in Condition 6(f)) to redeem (or partially redeem) all (but not some only) of the Notes of each Class at their respective Principal Amount Outstanding on a *pro rata* basis among the Notes of a Class in the following order:

- (i) *firstly*, the Senior Class A Notes until fully redeemed;
- (ii) *secondly*, the Mezzanine Class B Notes until fully redeemed;
- (iii) *thirdly*, the Mezzanine Class C Notes until fully redeemed;
- (iv) *fourthly*, the Junior Class D Notes until fully redeemed;
- (v) *fifthly*, the Subordinated Class E Notes until fully redeemed; and
- (vi) *sixthly*, the Subordinated Class F Notes.

B. *after the occurrence of the Cumulative Default Trigger Event:*

On the relevant Quarterly Payment Date after the occurrence of the Cumulative Default Trigger Event and each Quarterly Payment Date thereafter the Issuer shall be obliged to apply the Notes Redemption Available Amount (as defined in Condition 6(f)) to redeem (or partially redeem) all (but not some only) of the Notes of each Class at their respective Principal Amount Outstanding on a *pro rata* basis among the Notes of a Class in the following order:

- (i) *firstly*, the Senior Class A Notes until fully redeemed;
- (ii) *secondly*, the Mezzanine Class B Notes until fully redeemed;
- (iii) *thirdly*, the Mezzanine Class C Notes until fully redeemed;
- (iv) *fourthly*, the Junior Class D Notes until fully redeemed;
- (v) *fifthly*, the Subordinated Class E Notes until fully redeemed; and
- (vi) *sixthly*, the Subordinated Class F Notes.

If the Seller exercises its Regulatory Call Option or Clean-Up Call Option, the proceeds of such sale will form part of the Notes Redemption Available Amount and consequently the Issuer will redeem the Notes on the immediately succeeding Quarterly

Payment Date on a sequential basis in accordance with Condition 6(b)(A)(II) and subject to Condition 9(b).

Optional Redemption of the Notes:

Unless previously redeemed in full, on the Quarterly Payment Date falling in March 2015 and on each Quarterly Payment Date thereafter (each an '**Optional Redemption Date**'), the Issuer may, at its option redeem all (but not some only) of the Notes, all subject to and in accordance with the Conditions.

Sale of Receivables

If the Issuer exercises its right to redeem the Notes on any Optional Redemption Date, it has the right to sell the Receivables. The Issuer shall first offer such Receivables for sale to the Seller. The Seller shall within a period of 15 business days inform the Issuer whether it wishes to repurchase the Receivables. After such 15 business day period, the Issuer may offer such Receivables for sale to any third party. The purchase price of such Receivables will be calculated as described in *Sale of Receivables by the Issuer* below.

With the proceeds of a sale to either the Seller or a third party, it will redeem the Senior Class A Notes in full and the Notes of other Classes on a sequential basis at their Principal Amount Outstanding less the sum of the relevant Principal Shortfall and, if the Receivables are sold to the Seller and there are Defaulted Receivables, the relevant Estimated Shortfall. The Principal Shortfall in respect of a Note of a Class on such date is an amount equal to the balance on the relevant sub-ledger of the Principal Deficiency Ledger on a Quarterly Payment Date divided by the number of the Notes of the relevant Class on such Quarterly Payment Date. If the Issuer redeems the Notes in accordance with Condition 6(c), the Principal Shortfall will be reduced to zero. If the Receivables have been sold to the Seller and there are Defaulted Receivables, the Principal Amount Outstanding of each of the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes, the Subordinated Class E Notes and the Subordinated Class F Notes will after such redemption be equal to the relevant Estimated Shortfall.

Subject to and in accordance with Condition 6(c), there may be further redemption payments in respect of such remaining Principal Amount Outstanding on the four succeeding Quarterly Payment Dates.

There will be no further claim on the Issuer for any Principal Amount Outstanding in respect of the Notes the date on which the Issuer no longer holds any Receivables and there are no balances standing to the credit of the Transaction Accounts and the Issuer has no further rights under or in connection with any of the Relevant Documents.

The Issuer may only exercise the option to redeem the Notes after consultation of the Senior Class A Noteholders.

Redemption for tax reasons:

If the Issuer (a) is or will become obliged to make any withholding or deduction for, or on account of, any taxes, duties or charges of whatsoever nature from payments in respect of any Class of Notes as a result of any change in, or amendment to, the laws or regulations (including any guidelines issued by the tax authorities) 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 judgment 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) will have sufficient funds available on the Quarterly Calculation Date immediately preceding such Quarterly Payment Date to discharge all amounts of principal and interest due in respect of each Class of Notes and any amounts required to be paid in priority to or *pari passu* with each Class of Notes in accordance with the Trust Deed, the Issuer has the option to redeem the Notes, subject to Condition 9(b), in whole but not in part, on any Quarterly Payment Date at the Principal Outstanding Amount, together with interest accrued up to and including the date of redemption. No Class of Notes may be redeemed under such circumstances unless the other Classes of Notes (or such of them as are then outstanding) are also redeemed in full at the same time. See further *Sale of Receivables by the Issuer* below.

Withholding tax:

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.

Method of Payment:

So long as the Notes are represented by a Global Note, payments of principal and interest will be made in Euro to the Paying Agent for the credit of the respective accounts of the Noteholders through Euroclear Netherlands in respect of the Senior Class A Notes or, in respect of the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes, the Subordinated Class E Notes and the Subordinated Class F Notes, Euroclear and Clearstream, Luxembourg.

Use of proceeds:

The Issuer will use the proceeds from the issue of the Notes to pay to the Seller the Initial Purchase Price for the Receivables pursuant to the provisions of an agreement dated 22 February 2007 made between the Seller, the Issuer and the Security Trustee (the '**Receivables Purchase Agreement**').

Security for the Notes:

The Notes will be indirectly secured (i) by a first ranking right of pledge to the Security Trustee by the Issuer over the Receivables and (ii) by a first ranking right of pledge to the Security Trustee by the Issuer over the Issuer's rights under or in connection with the Receivables Purchase Agreement, the Swap Agreement, the Administration Agreement and Floating Rate GIC and in respect of the Transaction Accounts.

The amounts payable to the Noteholders and the other Secured Parties will be limited to the amounts available for such purpose to the Security Trustee which, *inter alia*, will consist of amounts recovered by the Security Trustee on the Receivables, the balances standing to the credit of the Transaction Accounts and amounts received by the Security Trustee as creditor under the Parallel Debt. Payments to the Secured Parties will be made in accordance with the Priority of Payments upon Enforcement.

On the Closing Date, the Issuer and the Security Trustee together with the Secured Parties (other than the Noteholders) will enter into a parallel debt agreement (the '**Parallel Debt Agreement**') for the benefit of the Secured Parties under which the Issuer shall, by way of parallel debt, undertake to pay to the Security Trustee amounts equal to the amounts due by it to the Secured Parties, in order to create a claim of the Security Trustee thereunder which can be validly secured by the rights of pledge created by the Trustee Receivables Pledge Agreement and the Trustee Assets Pledge Agreement.

THE RECEIVABLES:**Receivables:**

Under the Receivables Purchase Agreement, the Issuer will purchase and on the Closing Date accept the assignment of any and all rights of the Seller against certain borrowers (the '**Borrowers**') under or in connection with certain pre-selected Loans (the '**Receivables**'). The Issuer will be entitled to the proceeds of the Receivables from (and including) the Sale Date.

Loans:

The Receivables to be sold by the Seller pursuant to the Receivables Purchase Agreement will result from loans granted to Borrowers, which loans (i) mature prior to 1 October 2051; (ii) may have the benefit of one or more Security Interests; (iii) are entered into by the Seller and the relevant Borrower(s); (iv) meet certain criteria set forth in the Receivables Purchase Agreement and (v) will be selected prior to or on the Closing Date (the '**Loans**'). See *Description of Loans* below.

Clean-Up Call Option:

On each Quarterly Payment Date, the Seller has the option (but not the obligation) to repurchase all but not some only of the Receivables if on such Quarterly Payment Date the aggregate Outstanding Principal Amount in respect of the Receivables is not more than 10 per cent. of the aggregate Outstanding Principal Amount in respect of the Receivables on the Sale Date (the '**Clean-Up Call Option**').

The Issuer has undertaken in the Receivables Purchase Agreement to sell and assign the Receivables to the Seller or to any third party appointed by the Seller in its sole discretion in case of the exercise of the Clean-Up Call Option. The proceeds of such sale shall be applied by the Issuer towards redemption of the Notes on a sequential basis in accordance with Condition 6(b)(A)(II) and subject to Condition 9(b). The purchase price of the Receivables will be calculated as described in *Sale of Receivables by the Issuer* below.

Regulatory Call Option:

On each Quarterly Payment Date, the Seller has the option (but not the obligation) to repurchase all but not some only of the Receivables upon the occurrence of a Regulatory Change (the '**Regulatory Call Option**').

The Issuer has undertaken in the Receivables Purchase Agreement to sell and assign the Receivables to the Seller or any third party appointed by the Seller in its sole discretion in case the Regulatory Call Option is exercised. The proceeds of such sale shall be applied by the Issuer towards redemption of the Notes on a sequential basis in accordance with Condition 6(b)(A)(II) and subject to Condition 9(b). The purchase price of the Receivables will be calculated as described in *Sale of Receivables by the Issuer* below.

Repurchase of Receivables:

Under the Receivables Purchase Agreement, the Seller will be obliged to repurchase and accept re-assignment of a Receivable:

- (i) if any of the representations and warranties given by the Seller on the Closing Date in respect of such Receivable or the relevant Loan, including the representation and warranty that such Loan or, as the case may be, such Receivable meets the Receivables Criteria, is untrue or incorrect and the Seller has within 14 days of receipt of written notice thereof from the Issuer in any Monthly Calculation Period not remedied the matter giving rise thereto or such matter is not capable of remedy, as soon as possible, but in any event ultimately on the Monthly Payment Date immediately succeeding such Monthly Calculation Period; and
- (ii) if the Seller agrees with a Borrower to amend the terms of the relevant Loan in any Monthly Calculation Period as a result of which such Loan or the related Receivable no longer meets certain criteria set forth in the Receivables Purchase Agreement, unless such amendment is made as a part of the enforcement procedures to be complied with upon a default by the Borrower under the relevant Loan or is otherwise made as part of a restructuring or renegotiation of the Loan due to a deterioration of the credit quality of the Borrower, as soon as possible, but in any event ultimately on the Monthly Payment Date immediately succeeding such Monthly Calculation Period.

In case of such a repurchase, the purchase price of the relevant

Receivables will be calculated as described in *Sale of Receivables by the Issuer* below.

Security Interests:

The repayment of the vast majority of the Receivables is secured by one or more security interests, which include (a) a mortgage right ("*hypotheekrecht*"), over (i) land ("*grond*"), (ii) a real property ("*onroerende zaak*"), (iii) an apartment right ("*appartementsrecht*") or (iv) a long lease ("*erfpacht*"), together with land, real property and apartment rights (the '**Mortgaged Assets**'), (b) a right of pledge ("*pandrecht*") on inventory, rental income, receivables and/or (c) any other security interest ("*zekerheidsrecht*") (together with the mortgage rights, the '**Security Interests**'). The Security Interests are in the form of Bank Security Rights (see *Risk Factors* above).

Jointly-held Security Interests:

In the Receivables Purchase Agreement, the Seller, the Issuer and/or the Security Trustee (as applicable) have agreed that the Issuer and/or the Security Trustee (as applicable) will manage and administer any jointly-held Security Interests.

Furthermore, the Seller, the Issuer and/or the Security Trustee (as applicable) have agreed that in case of foreclosure the shares ("*aandelen*") in each jointly-held Security Interests, will be the Issuer Share for the Issuer and the Seller Share for the Seller. Moreover, it is agreed in the Receivables Purchase Agreement that in case of a breach by the Seller of its obligations under these agreements or if any of such agreement is dissolved, void, nullified or ineffective for any reason in respect of the Seller, the Seller shall compensate the Issuer and/or the Security Trustee (as applicable) for any and all loss, cost, claim, damage and expense whatsoever which the Issuer and/or the Security Trustee (as applicable) incurs as a result thereof during any Monthly Calculation Period. Such compensation will be paid by the Seller as soon as possible, but in any event ultimately on the Monthly Payment Date immediately succeeding such Monthly Calculation Period (see *Risk Factors* above).

Set-off by Borrowers:

The Receivables Purchase Agreement provides that if a Borrower invokes a right of set-off for amounts due to it by the Seller against the relevant Receivable and, as a consequence thereof, the Issuer does not receive in any Monthly Calculation Period the amount which it is entitled to receive in respect of such Receivable, the Seller will pay to the Issuer and/or the Security Trustee as soon as possible, but in any event ultimately on the Monthly Payment Date immediately succeeding such Monthly Calculation Period an amount equal to the difference between the amount which the Issuer would have received in respect of the relevant Receivable if no set-off had taken place and the amount actually received by the Issuer in respect of such Receivable. To further secure the Seller's obligations in this respect, the Seller has an obligation to pledge the Trigger Collateral in favour of the Issuer and the Security Trustee respectively up to the Trigger Collateral Required Amount. The Issuer and/or the Security Trustee shall, on any Quarterly Payment Date, have the right to

apply from such Trigger Collateral the Set-Off Amount (see *Credit Structure* below).

Sale of Receivables by the Issuer:

The Issuer may not dispose of the Receivables, except to comply with its obligations under the Notes in certain circumstances and further as provided in the Trust Deed. If the Issuer decides to offer for sale (part of) the Receivables it will first offer such Receivables to the Seller. Except in the circumstances as set out below, the Seller will pay a purchase price equal to the purchase price a third party is willing to pay for the Receivables.

Optional Redemption / Clean-Up Call Option

If the Issuer sells and assigns all, but not some, of the Receivables on an Optional Redemption Date or in connection with the exercise of the Clean-Up Call Option, the purchase price shall be calculated as follows.

Purchase Price in case of a sale to the Seller

The purchase price of the Receivables (other than Defaulted Receivables) in the event of a sale to the Seller will be the aggregate Outstanding Principal Amount in respect of the Receivables (other than Defaulted Receivables) together with any accrued interest up to but excluding the date of repurchase and re-assignment of the relevant Receivables and any costs incurred by the Issuer in effecting and completing such sale and re-assignment.

The purchase price of the Defaulted Receivables will consist of an initial purchase price and a deferred purchase price. The initial purchase price, which will be paid on the date of repurchase and re-assignment of the Defaulted Receivables, will be equal to the sum of (i) the Market Value and (ii) any costs incurred by the Issuer in effecting and completing such sale and re-assignment. The deferred purchase price will be paid in four instalments on each subsequent Quarterly Payment Date. The amount of each of the first three instalments will be equal to the positive difference between (i) the total amount the Seller has received or recovered in respect of the Defaulted Receivables and (ii) the (part of the) purchase price already paid to the Issuer in respect of the Defaulted Receivables. The fourth and last deferred purchase price instalment will be equal to the positive difference between (i) the Final Market Value and (ii) the (part of the) purchase price already paid to the Issuer in respect of the Defaulted Receivables.

The '**Market Value**' will be determined by the Issuer, the Seller and the Security Trustee jointly and means the sum of the Market Value in respect of each Defaulted Receivable, which will be the Issuer Share of the Expected Recoveries of such Defaulted Receivable determined on the Quarterly Payment Date on which the Defaulted Receivable is sold to the Seller.

'**Expected Recoveries**' means the expected discounted recoveries estimated by the department of the Seller involved in

the recovery process, based on (a) historical recovery data per asset class and (b) a recovery percentage of an independent valuation (which valuation will only be obtained to the extent that the estimate of recoveries substantially exceeds the expenses of such valuation). A sample of cases where a determination of expected recoveries has been made will be audited on a quarterly basis. The estimate of the recoveries of the Security Interests will be based on percentages as applicable on the date of the valuation. The Seller may agree with the Issuer and the Security Trustee to an updated method of estimation of expected recoveries.

The '**Final Market Value**' will be determined by the Issuer, the Seller and the Security Trustee jointly and means the sum of the Market Value in respect of each Defaulted Receivable determined on the fourth Quarterly Calculation Date immediately succeeding the Quarterly Payment Date on which the Defaulted Receivable is sold to the Seller, after taking into account recoveries up to such date and a new determination of the Expected Recoveries. In respect of Defaulted Receivables still outstanding on such fourth Quarterly Calculation Date, the Final Market Value will be audited by an external accountant.

Upon the sale of the Receivables (including any Defaulted Receivables) to the Seller, the Estimated Loss Amount will be debited to the Estimated Loss Ledger.

Purchase Price in case of a sale to a third party

The Issuer will use its best efforts to sell the Receivables (including any Defaulted Receivables) to a third party (should the Seller decide not to purchase the Receivables) for a price equal to the higher of (i) the aggregate Outstanding Principal Amount in respect of such Receivables together with any accrued interest up to but excluding the date of repurchase and re-assignment of the relevant Receivables and any costs incurred by the Issuer in effecting and completing such sale and re-assignment and (ii) the aggregate market value of such Receivables. Notwithstanding the Issuer's best efforts undertaking, if such purchase price is lower than the aggregate Outstanding Principal Amount in respect of such Receivables, this will result in a Realised Loss, which will be debited to the Principal Deficiency Ledger (see also *Maturity Risk* in *Risk Factors*).

Regulatory Call Option/Repurchase of Receivables

The purchase price of Receivables in the event of a sale where the Regulatory Call Option is exercised will be at least equal to the aggregate Outstanding Principal Amount in respect of the relevant Receivables, together with any accrued interest up to but excluding the date of repurchase and re-assignment of the relevant Receivables and any costs incurred by the Issuer in effecting and completing such sale and re-assignment. The purchase price of Receivables (including any Defaulted Receivables) in the event the Seller is obliged to repurchase and accept re-assignment of Receivables in accordance with the

Receivables Purchase Agreement will be equal to the aggregate Outstanding Principal Amount in respect of the relevant Receivables, together with any accrued interest up to but excluding the date of repurchase and re-assignment of the relevant Receivables and any costs incurred by the Issuer in effecting and completing such sale and re-assignment.

CASH FLOW STRUCTURE:

Seller Collection Accounts:

The Seller maintains accounts (the '**Seller Collection Accounts**') to which collections of all amounts of interest, prepayment penalties and principal received under the Loans will be paid.

GIC Account:

The Issuer will maintain with the Floating Rate GIC Provider an account (the '**GIC Account**') to which, *inter alia*, on a monthly basis all amounts received in respect of the Receivables from the Seller Collection Accounts will be transferred by the Seller.

Reserve Account:

The Issuer will maintain with the Floating Rate GIC Provider an account (the '**Reserve Account**', and together with the GIC Account, the '**Transaction Accounts**').

The purpose of the Reserve Account will be to enable the Issuer to meet the Issuer's payment obligations under items (a) up to and including (p) in the Interest Priority of Payments in the event the Notes Interest Available Amount (excluding item (viii) thereof) is not sufficient to enable the Issuer to meet such payment obligations on a Quarterly Payment Date. If and to the extent that the Notes Interest Available Amount on any Quarterly Payment Date exceeds the aggregate amount applied in satisfaction of items (a) up to and including (p) in the Interest Priority of Payments, such amount will be credited to the Reserve Account.

On the Quarterly Payment Date on which the Notes have been redeemed in full, the remaining balance standing to the credit of the Reserve Account will be transferred to the GIC Account and form part of the Notes Interest Available Amount on such date.

Floating Rate GIC:

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

Swap Agreement:

On the Closing Date, the Issuer will enter into a Swap Agreement, a schedule thereto and a swap confirmation with the Swap Counterparty (the '**Swap Agreement**') to mitigate the risk between the rates of interest to be received by the Issuer on the Receivables and the rates of interest payable by the Issuer on the Notes.

OTHER:

Administration Agreement:

Under the terms of an administration agreement to be entered into on the Closing Date (the '**Administration Agreement**') between the Issuer, the Issuer Administrator, the Pool Servicer and the Security Trustee, (a) the Pool Servicer will agree to (i) provide payment transactions and the other services in relation to the Loans, including, without limitation, the collection of payments of principal, interest and all other amounts in respect of the Loans and (ii) implement arrears procedures in respect of the Defaulted Receivables including, if applicable, the enforcement of Security Interests (see the section *Loan Underwriting and Services* below) and (b) the Issuer Administrator will agree to provide certain administration, calculation and cash management services for the Issuer, including without limitation, all calculations to be made in respect of the Notes pursuant to the Conditions.

Management Agreements:

The Issuer, the Shareholder and the Security Trustee will on the Closing Date each enter into a management agreement (together the '**Management Agreements**') with the relevant Director, whereunder 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.

Governing Law:

The Notes and the Relevant Documents (other than the Swap Agreement) will be governed by and construed in accordance with the laws of the Netherlands. The Swap Agreement will be governed by English law.

Selling Restrictions:

There are selling restrictions in relation to the European Economic Area, United Kingdom, United States, Italy, France and such other restrictions as may be required in connection with the offering and sale of the Notes. See *Purchase and Sale* below.

Ratings:

It is a condition precedent to issuance of the Notes that (i) the Senior Class A Notes, be assigned a rating of 'Aaa' by Moody's and 'AAA' by Fitch and 'AAA' by S&P, (ii) the Mezzanine Class B Notes, be assigned a rating of at least 'Aa2' by Moody's and 'AA+' by Fitch and 'AA' by S&P, (iii) the Mezzanine Class C Notes, be assigned a rating of at least 'A1' by Moody's and 'AA-' by Fitch and 'A' by S&P, (iv) the Junior Class D Notes, on issue, be assigned a rating of at least 'Baa2' by Moody's and 'BBB+' by Fitch and 'BBB' by S&P and (v) the Subordinated Class E Notes, be assigned a rating of at least 'Ba3' by Moody's and 'BB-' by Fitch and 'BB-' by S&P.

Listing:

Application will be made for the Notes to be listed on Eurolist by Euronext Amsterdam.

CREDIT STRUCTURE

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

Cash Collection Arrangements

Payments by the Borrowers under the Loans are due on a regular basis, interest being payable in arrear or in advance. All payments made by Borrowers will be paid into the Seller Collection Accounts. The Seller Collection Accounts will also be used for the collection of moneys paid in respect of other loans and in respect of other moneys belonging to the Seller.

The Pool Servicer will transfer on or before the 15th day of each month (or, if this is not a business day, the next succeeding business day) (the "**Monthly Payment Date**") all amounts received by the Seller in respect of the Loans and paid to the Seller Collection Accounts during the immediately preceding Monthly Calculation Period to the GIC Account.

If the rating of the short-term, unsecured and unguaranteed debt obligations of the Seller falls below Prime-1 by Moody's or F1 by Fitch or A1+ by S&P (the '**Seller Collection Accounts Requisite Rating**') or any such rating is withdrawn, the Seller will within thirty (30) days either: (i) ensure that payments to be made in respect of amounts received on the Seller Collection Accounts relating to the relevant Receivables will be guaranteed by a party having at least the Seller Collection Accounts Requisite Rating, which guarantee is in accordance with the then current rating agency criteria; or (ii) (a) open an escrow account in the name of the Issuer, for its own account, with a party having at least the Seller Collection Accounts Requisite Rating, and (b) transfer to the escrow account an amount equal to the highest single amount of principal, interest and pre-payment penalties received in respect of the Receivables since the Closing Date on the GIC Account during one Monthly Calculation Period; or (iii) take any other action to maintain the then current ratings assigned to the Rated Notes.

For these purposes a '**Monthly Calculation Period**' is 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 and the first Monthly Calculation Period will commence on (and include) the Sale Date and end on (and include) the last day of February 2007.

GIC Account

The Issuer will maintain with the Floating Rate GIC Provider the GIC Account to which, *inter alia*, all amounts received from the Seller in respect of the Receivables will be paid.

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

Payments may be made from the GIC Account other than on a relevant Quarterly Payment Date only to satisfy amounts due to third parties (other than pursuant to the Relevant Documents).

Reserve Account

The balance standing to the credit of the Reserve Account, which is also maintained with the Floating Rate GIC Provider, shall be nil on the Closing Date.

If and to the extent that the Notes Interest Available Amount on any Quarterly Payment Date exceeds the amounts required to meet items (a) up to and including (p) of the Interest Priority of Payments, such excess amount will be deposited on the Reserve Account.

The balance standing to the credit of the Reserve Account shall be available on any Quarterly Payment Date to meet items (a) up to and including (p) of the Interest Priority of Payments in the event the Notes Interest Available Amount (excluding item (vii) thereof) is not sufficient to enable the Issuer to meet such payment obligations on a Quarterly Payment Date.

On the Quarterly Payment Date on which the Notes have been redeemed in full, the remaining balance standing to the credit of the Reserve Account will be transferred to the GIC Account and form part of the Notes Interest Available Amount on such date.

Downgrade Floating Rate GIC Provider

If at any time the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Floating Rate GIC Provider are assigned a rating of less than Prime-1 by Moody's or F1 by Fitch or A1+ by S&P (the '**Short Term Requisite Rating**') or any such rating is withdrawn, the Issuer will be required within thirty (30) days to (a) transfer the balance on the Transaction Accounts to an alternative bank with the Short Term Requisite Rating or (b) obtain a third party, having at least the Short Term Requisite Rating, to guarantee the obligations of the Floating Rate GIC Provider, which guarantee is in accordance with the then current rating agency criteria or (c) take any other action to maintain the then current ratings assigned to the Rated Notes.

Swap Collateral Account

If any collateral in the form of cash is provided by the Swap Counterparty to the Issuer, the Issuer will be required to open a separate account in which such cash provided by the Swap Counterparty will be held. If any collateral in the form of securities is provided, the Issuer will be required to open a custody account in which such securities provided by the Swap Counterparty will be held. No payments or deliveries may be made in respect of such accounts other than in relation to the provision of collateral or the return of Excess Swap Collateral, unless pursuant to the termination of the Swap Agreement, an amount is owed by the Swap Counterparty to the Issuer, in which case, the collateral may be applied in accordance with the Trust Deed.

'**Excess Swap Collateral**' means an amount equal to the value of any collateral transferred to the Issuer by the Swap Counterparty under the Swap Agreement that is in excess of the Swap Counterparty's liability to the Issuer thereunder.

Any amounts remaining in such accounts upon termination of the Swap Agreement which are not owed to the Issuer by the Swap Counterparty shall be transferred directly to the Swap Counterparty (outside of any Priority of Payments) on the termination date under the Swap Agreement.

If any collateral is transferred pursuant to the Swap Agreement in favour of the Issuer, the Issuer may apply such collateral in accordance with the Swap Agreement and the Trust Deed, subject to the Issuer's obligation to return any Excess Swap Collateral directly to the Swap Counterparty under the Swap Agreement.

Trigger Collateral

Pursuant to the Receivables Purchase Agreement, the Seller has the obligation to indemnify the Issuer and/or the Security Trustee for any amounts set-off by a Borrower in respect of the relevant Receivable. To secure this obligation, the Seller has an obligation to pledge or provide (as the case may be) on a regular basis but in any event on each Monthly Payment Date in favour of the Issuer and the Security Trustee respectively eligible collateral (the '**Trigger Collateral**') up to the Trigger Collateral Required Amount.

'**Trigger Collateral**' means any collateral provided or pledged by the Seller in any of the following forms:

- a. cash in euro to be provided by the Seller to the Issuer; and/or
- b. securities rated Aaa by Moody's, AAA by S&P and AAA by Fitch and their proceeds held with a custodian rated P1 by Moody's, A1+ by S&P and F1+ by Fitch, and:
 - i. which have a maturity of less than 3 months; or
 - ii. which have a maturity of three months or more but less than 3 years, provided that they are euro denominated floating rate debt obligations, or
 - iii. which are confirmed by the Rating Agencies as eligible for inclusion within this definition of Trigger Collateral.

The Trigger Collateral should be pledged or provided, as the case may be, up to the Trigger Collateral Required Amount. In this respect, (a) cash will be calculated for 100 per cent. and (b) the value of the securities under (i) and (iii) above will be multiplied with the percentage required to maintain the then current ratings assigned to the Rated Notes and (c) the lower of the par and the mark-to-market value of the securities under (ii) above will be multiplied with 95 per cent. or such lower percentage as required to maintain the then current ratings assigned to the Rated Notes. Securities with a maturity of three months or more are weekly valued on a mark-to-market basis.

The required amount (the **'Trigger Collateral Required Amount'**) shall on any Monthly Payment Date be equal to the amount of:

- i. zero, unless the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Seller cease to be rated at least as high as A- by S&P or A- by Fitch or A3 by Moody's or any such rating is withdrawn;
- ii. 50 per cent. of the Potential Set-Off Amount, when the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Seller are rated lower than A- by S&P or A- by Fitch or A3 by Moody's but higher than BBB- by Fitch or Baa3 by Moody's;
- iii. 100 per cent. of the Potential Set-Off Amount when the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Seller are rated lower than BBB- by Fitch or Baa3 by Moody's; and
- iv. zero, if the Notes have been redeemed in full.

The **'Potential Set-Off Amount'** shall, on any Monthly Payment Date, be equal to the amount credited to each current account or deposit held by the Borrowers with the Seller on the immediately preceding Monthly Calculation Date.

The Trigger Collateral may be applied by the Issuer and/or the Security Trustee on any Quarterly Payment Date if and to the extent the Issuer has, because a Borrower has invoked a right of set-off for amounts due by the Seller to it and the Seller has not reimbursed the Issuer for such amount, on the relevant Quarterly Payment Date, not received the full amount due but unpaid in respect of any Receivable(s) (the **'Set-Off Amount'**).

If the amount equal to the value of any Trigger Collateral pledged or provided (as the case may be) to the Issuer and the Security Trustee exceeds the Trigger Collateral Required Amount on any Monthly Payment Date or any other date (the **'Excess Trigger Collateral'**), the Issuer and the Security Trustee respectively have an obligation to either (i) repay an amount equal to the Excess Trigger Collateral (if applicable) or (ii) release their respective rights of pledge by means of a partial waiver on such Excess Trigger Collateral.

Priority of Payments in respect of interest

Prior to the delivery of an Enforcement Notice by the Security Trustee, the sum of the following amounts, calculated as at each Quarterly Calculation Date (being the 5th business day prior to each relevant Quarterly Payment Date) as being received, recovered or held in relation to the Quarterly Calculation Period immediately preceding such Quarterly Calculation Date (items (i) up to and including (x) being hereafter referred to as the **'Notes Interest Available Amount'**):

- (i) as interest, including any prepayment penalties and penalty interest ("*boeterente*"), on the Receivables;
- (ii) as interest credited to the Transaction Accounts;
- (iii) as amounts to be received from the Swap Counterparty under the Swap Agreement on the immediately succeeding relevant Quarterly Payment Date, excluding, for the avoidance of doubt, any collateral transferred pursuant to such Swap Agreement;
- (iv) as amounts received in connection with a repurchase of Receivables pursuant to the Receivables Purchase Agreement to the extent such amounts do not relate to principal and any other amounts to be received pursuant to the Receivables Purchase Agreement to the extent such amounts do not relate to principal;
- (v) as amounts received in connection with a sale of the Receivables pursuant to the Trust Deed to the extent such amounts do not relate to principal;
- (vi) as amounts received as Post Foreclosure Proceeds on the Receivables;

- (vii) as amounts to be drawn from the Reserve Account on the immediately succeeding Quarterly Payment Date;
- (viii) the Set-Off Amount (if any) to be applied from the Trigger Collateral on the immediately succeeding Quarterly Payment Date;
- (ix) on the Final Maturity Date or, if earlier, the Quarterly Payment Date on which the Notes are redeemed in full, the remaining balance standing to the credit of the GIC Account (if any) which is not included in items (i) up to and including (viii) on such Quarterly Payment Date; less
- (x) on the first Quarterly Payment Date of each calendar year, the sum of (i) an amount equal to 5 per cent. of the annual fee due to the Director of the Issuer and (ii) euro 1,000;

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

- (a) *first*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof (i) of the fees or remuneration due and payable to the Directors in connection with the Management Agreements and any costs, charges, liabilities and expenses incurred by the Security Trustee under or in connection with any of the Relevant Documents and (ii) fees and expenses due to the Paying Agent and the Reference Agent under the Paying Agency Agreement;
- (b) *second*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of administration fees, costs and expenses due and payable to the Issuer Administrator and the Pool Servicer under the Administration Agreement;
- (c) *third*, in or towards satisfaction, *pro rata*, and *pari passu* according to the respective amounts thereof, of any amounts due and payable to third parties under obligations incurred in the Issuer's business (other than under the Relevant Documents), including, without limitation, in or towards satisfaction of sums due or provisions for any payment of the Issuer's liability, if any, to tax (to the extent such taxes cannot be paid out of item (x) of the Notes Interest Available Amount) and sums due to the Rating Agencies and fees and expenses of any legal advisor, auditor and/or accountant appointed by the Issuer and/or the Security Trustee;
- (d) *fourth*, in or towards satisfaction of amounts, if any, due but unpaid under the Swap Agreement, except for any termination payment due or payable as a result of the occurrence of an Event of Default where the Swap Counterparty is the Defaulting Party or a Termination Event where the Swap Counterparty is the sole Affected Party, including a Settlement Amount (as such terms are defined in the Swap Agreement) (a '**Swap Counterparty Default Payment**');;
- (e) *fifth*, in or towards satisfaction of all amounts of interest due in respect of the Senior Class A Notes;
- (f) *sixth*, in or towards making good, any shortfall reflected in the Class A Principal Deficiency Ledger until the debit balance, if any, on the Class A Principal Deficiency Ledger is reduced to zero;
- (g) *seventh*, in or towards satisfaction of interest due or accrued due but unpaid on the Mezzanine Class B Notes;
- (h) *eighth*, in or towards making good any shortfall reflected in the Class B Principal Deficiency Ledger until the debit balance, if any, on the Class B Principal Deficiency Ledger is reduced to zero and after the Optional Redemption Date on which the Issuer has redeemed the Notes in accordance with Condition 6(c), in or towards making good any shortfall reflected in the Class B Estimated Loss Ledger until the debit balance, if any, on the Class B Estimated Loss Ledger is reduced to zero;
- (i) *ninth*, in or towards satisfaction of interest due or interest accrued but unpaid on the Mezzanine Class C Notes;
- (j) *tenth*, in or towards making good any shortfall reflected in the Class C Principal Deficiency Ledger until the debit balance, if any, on the Class C Principal Deficiency Ledger is reduced to zero and after the Optional Redemption Date on which the Issuer has redeemed the Notes in accordance with Condition 6(c), in or towards

making good any shortfall reflected in the Class C Estimated Loss Ledger until the debit balance, if any, on the Class C Estimated Loss Ledger is reduced to zero;

- (k) *eleventh*, in or towards satisfaction of interest due or interest accrued but unpaid on the Junior Class D Notes;
- (l) *twelfth*, in or towards making good any shortfall reflected in the Class D Principal Deficiency Ledger until the debit balance, if any, on the Class D Principal Deficiency Ledger is reduced to zero and after the Optional Redemption Date on which the Issuer has redeemed the Notes in accordance with Condition 6(c), in or towards making good any shortfall reflected in the Class D Estimated Loss Ledger until the debit balance, if any, on the Class D Estimated Loss Ledger is reduced to zero;
- (m) *thirteenth*, in or towards satisfaction of interest due or interest accrued but unpaid on the Subordinated Class E Notes;
- (n) *fourteenth*, in or towards making good any shortfall reflected in the Class E Principal Deficiency Ledger until the debit balance, if any, on the Class E Principal Deficiency Ledger is reduced to zero and after the Optional Redemption Date on which the Issuer has redeemed the Notes in accordance with Condition 6(c), in or towards making good any shortfall reflected in the Class E Estimated Loss Ledger until the debit balance, if any, on the Class E Estimated Loss Ledger is reduced to zero;
- (o) *fifteenth*, in or towards satisfaction of interest due or interest accrued but unpaid on the Subordinated Class F Notes;
- (p) *sixteenth*, in or towards making good any shortfall reflected in the Class F Principal Deficiency Ledger until the debit balance, if any, on the Class F Principal Deficiency Ledger is reduced to zero and after the Optional Redemption Date on which the Issuer has redeemed the Notes in accordance with Condition 6(c), in or towards making good any shortfall reflected in the Class F Estimated Loss Ledger until the debit balance, if any, on the Class F Estimated Loss Ledger is reduced to zero;
- (q) *seventeenth*, in or towards satisfaction of any amount to be deposited on the Reserve Account;
- (r) *eighteenth*, in or towards satisfaction of the Swap Counterparty Default Payment payable to the Swap Counterparty under the terms of the Swap Agreement; and
- (s) *nineteenth*, in or towards satisfaction of a Deferred Purchase Price Instalment to the Seller.

Priority of Payments in respect of principal

On each Quarterly Calculation Date, the sum of the following amounts as being received, recovered or held in relation to the immediately preceding Quarterly Calculation Period (the '**Notes Redemption Available Amount**')

- (i) as repayment of principal under the Receivables;
- (ii) as amounts received on the immediately succeeding Quarterly Payment Date in connection with a repurchase of the Receivables pursuant to the Receivables Purchase Agreement as a result of any of the representations and warranties proves to have been untrue or incorrect;
- (iii) as prepayment of principal under the Receivables;
- (iv) as Net Proceeds on any Receivable;
- (v) as amounts received on the immediately succeeding Quarterly Payment Date in connection with a repurchase other than as mentioned under (ii) and any other amounts received pursuant to the Receivables Purchase Agreement to the extent relating to principal;
- (vi) as amounts received in connection with a sale of Receivables pursuant to the Trust Deed to the extent relating to principal;
- (vii) as amounts to be credited to the relevant Principal Deficiency Ledger on the immediately succeeding Quarterly Payment Date and after the Optional Redemption Date on which the Issuer has redeemed the Notes in accordance with Condition 6(c), as amounts to be credited to the relevant Estimated Loss Ledger on the

- immediately succeeding Quarterly Payment Date;
- (viii) the Reserve Account Excess; and
- (ix) any part of the Notes Redemption Available Amount calculated on the immediately preceding Quarterly Calculation Date which has not been applied towards redemption of the Notes on the immediately preceding Quarterly Payment Date.

The Notes Redemption Available Amount will be divided in (A) the '**Pro-rata Redemption Available Amount**', which will be (a) on any Quarterly Payment Date until either the Clean-Up Call Option or the Regulatory Call Option is exercised or the Cumulative Default Trigger Event has occurred, the amount equal to the sum of items (i) and item (ii) of the Notes Redemption Available Amount and (b) after the exercise of the Clean-Up Call Option or the Regulatory Call Option or the occurrence of the Cumulative Default Trigger Event, zero and (B) the '**Sequential Redemption Available Amount**', which will be, on any Quarterly Payment Date, the Notes Redemption Available Amount less the Pro-rata Redemption Available Amount on such Quarterly Payment Date.

Prior to the delivery of an Enforcement Notice by the Security Trustee, the Notes Redemption Available Amount will be applied by the Issuer on the relevant Quarterly Payment Date in the following order (the '**Principal Priority of Payments**')

A. prior to the occurrence of the Cumulative Default Trigger Event:

(I) *Pro-rata Redemption of the Notes*

On the Quarterly Payment Date falling in June 2007 and each Quarterly Payment Date thereafter the Issuer shall be obliged to apply the Pro-rata Redemption Available Amount (as defined in Condition 6(f)) to redeem (or partially redeem) the Notes at their Principal Amount Outstanding on a *pro rata* basis as follows:

- (i) *first*, the Senior Class A Notes by applying the Senior Class A Pro-rata Redemption Amount as defined in Condition 6 (f);
- (ii) *second*, the Mezzanine Class B Notes by applying the Mezzanine Class B Pro-rata Redemption Amount as defined in Condition 6 (f);
- (iii) *third*, the Mezzanine Class C Notes by applying the Mezzanine Class C Pro-rata Redemption Amount as defined in Condition 6 (f);
- (iv) *fourth*, the Junior Class D Notes by applying the Junior Class D Pro-rata Redemption Amount as defined in Condition 6 (f);
- (v) *fifth*, the Subordinated Class E Notes by applying the Subordinated Class E Pro-rata Redemption Amount as defined in Condition 6 (f); and
- (vi) *sixth*, the Subordinated Class F Notes by applying the Subordinated Class F Pro-rata Redemption Amount as defined in Condition 6 (f);

(II) *Sequential Redemption of the Notes*

On the Quarterly Payment Date falling in June 2007 and each Quarterly Payment Date thereafter the Issuer shall be obliged to apply the Sequential Redemption Available Amount (as defined in Condition 6(f)) to redeem (or partially redeem) all (but not some only) of the Notes of each Class at their respective Principal Amount Outstanding on a *pro rata* basis among the Notes of a Class in the following order:

- (i) *firstly*, the Senior Class A Notes until fully redeemed;
- (ii) *secondly*, the Mezzanine Class B Notes until fully redeemed;
- (iii) *thirdly*, the Mezzanine Class C Notes until fully redeemed;
- (iv) *fourthly*, the Junior Class D Notes until fully redeemed;
- (v) *fifthly*, the Subordinated Class E Notes until fully redeemed; and
- (vi) *sixthly*, the Subordinated Class F Notes.

B. after the occurrence of the Cumulative Default Trigger Event:

On the relevant Quarterly Payment Date after the occurrence of the Cumulative Default Trigger Event and each Quarterly Payment Date thereafter the Issuer shall be obliged to apply the Notes Redemption Available Amount (as defined in Condition 6(f)) to redeem (or partially redeem) all (but not some only) of the Notes of each Class at their respective Principal Amount Outstanding on a *pro rata* basis among the Notes of a Class in the following order:

- (i) *firstly*, the Senior Class A Notes until fully redeemed;
- (ii) *secondly*, the Mezzanine Class B Notes until fully redeemed;
- (iii) *thirdly*, the Mezzanine Class C Notes until fully redeemed;
- (iv) *fourthly*, the Junior Class D Notes until fully redeemed;
- (v) *fifthly*, the Subordinated Class E Notes until fully redeemed; and
- (vi) *sixthly*, the Subordinated Class F Notes.

C. after it has exercised the option as set out in Condition 6(c):

Provided that no Enforcement Notice has been served in accordance with Condition 10 and subject to Condition 9(b), on each Quarterly Payment Date after it has exercised the option as set out in Condition 6(c), the Issuer shall be obliged to apply the Notes Redemption Available Amount, if any, in respect of such Quarterly Payment Date to redeem (or partially redeem) the Notes of each Class at their respective Principal Amount Outstanding on a *pro rata* basis among the Notes of a Class in the following order:

- (i) *firstly*, the Mezzanine Class B Notes, until fully redeemed;
- (ii) *secondly*, the Mezzanine Class C Notes, until fully redeemed;
- (iii) *thirdly*, the Junior Class D Notes, until fully redeemed;
- (iv) *fourthly*, the Subordinated Class E Notes, until fully redeemed; and
- (v) *fifthly*, the Subordinated Class F Notes.

Priority of Payments upon Enforcement

Following delivery of an Enforcement Notice, any amounts payable by the Security Trustee will be paid to the Secured Parties 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 '**Priority of Payments upon Enforcement**')

- (a) *first*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of (i) the fees or other remuneration due to the Directors, (ii) any cost, charge, liability and expenses incurred by the Security Trustee under or in connection with any of the Relevant Documents, which will include, *inter alia*, the fees and expenses of the Rating Agencies, any legal advisor, auditor and/or accountant appointed by the Security Trustee and the Issuer, (iii) the fees and expenses of the Paying Agent and the Reference Agent incurred under the provisions of the Paying Agency Agreement and (iv) the fees and expenses of the Issuer Administrator and the Pool Servicer under the Administration Agreement;
- (b) *second*, in or towards satisfaction of amounts, if any, due but unpaid under the Swap Agreement, except for any Swap Counterparty Default Payment payable under subparagraph (o) below;
- (c) *third*, in or towards satisfaction of all amounts of interest due or accrued due but unpaid in respect of the Senior Class A Notes;
- (d) *fourth*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Senior Class A Notes;
- (e) *fifth*, in or towards satisfaction of all amounts of interest due or accrued due but unpaid in respect of the Mezzanine Class B Notes;
- (f) *sixth*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Mezzanine Class B Notes;

- (g) *seventh*, in or towards satisfaction of all amounts of interest due or interest accrued but unpaid in respect of the Mezzanine Class C Notes;
- (h) *eighth*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Mezzanine Class C Notes;
- (i) *ninth* in or towards satisfaction of all amounts of interest due or interest accrued but unpaid in respect of the Junior Class D Notes;
- (j) *tenth*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Junior Class D Notes;
- (k) *eleventh*, in or towards satisfaction of all amounts of interest due or interest accrued but unpaid in respect of the Subordinated Class E Notes;
- (l) *twelfth*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Subordinated Class E Notes;
- (m) *thirteenth*, in or towards satisfaction of all amounts of interest due or interest accrued but unpaid in respect of the Subordinated Class F Notes;
- (n) *fourteenth*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Subordinated Class F Notes;
- (o) *fifteenth*, in or towards satisfaction of the Swap Counterparty Default Payment payable to the Swap Counterparty under the terms of the Swap Agreement; and
- (p) *sixteenth*, in or towards satisfaction of a Deferred Purchase Price Instalment to the Seller.

Deficiency Ledgers

Principal Deficiency Ledger

A Principal Deficiency Ledger comprising six sub-ledgers (the Class A Principal Deficiency Ledger, the Class B Principal Deficiency Ledger, the Class C Principal Deficiency Ledger, the Class D Principal Deficiency Ledger, the Class E Principal Deficiency Ledger and the Class F Principal Deficiency Ledger) will be established by or on behalf of the Issuer. An amount equal to any Realised Losses and the Set-off Amount to the extent relating to principal will be debited to the Class F Principal Deficiency Ledger (such debit items being credited at item (p) of the Interest Priority of Payments, to the extent any part of the Notes Interest Available Amount is available for such purpose) so long as the debit balance on such sub-ledger is less than the Principal Amount Outstanding of the Subordinated Class F Notes and thereafter such amount will be debited to the Class E Principal Deficiency Ledger (such debit items being credited at item (n) of the Interest Priority of Payments, to the extent any part of the Notes Interest Available Amount is available for such purpose) so long as the debit balance on such sub-ledger is less than the Principal Amount Outstanding of the Subordinated Class E Notes and thereafter such amount will be debited to the Class D Principal Deficiency Ledger (such debit items being credited at item (l) of the Interest Priority of Payments, to the extent any part of the Notes Interest Available Amount is available for such purpose) so long as the debit balance on such ledger is less than the Principal Amount Outstanding of the Junior Class D Notes and thereafter such amount will be debited to the Class C Principal Deficiency Ledger (such debit items being credited at item (j) of the Interest Priority of Payments, to the extent any part of the Notes Interest Available Amount is available for such purpose) so long as the debit balance on such ledger is less than the Principal Amount Outstanding of the Mezzanine Class C Notes and thereafter such amount will be debited to the Class B Principal Deficiency Ledger (such debit items being credited at item (h) of the Interest Priority of Payments, to the extent any part of the Notes Interest Available Amount is available for such purpose) so long as the debit balance on such ledger is less than the Principal Amount Outstanding of the Mezzanine Class B Notes and thereafter such amount will be debited to the Class A Principal Deficiency Ledger (such debit items being credited at

item (f) of the Interest Priority of Payments, to the extent funds become available for such purpose). On the Optional Redemption Date on which the Issuer has redeemed the Notes in accordance with Condition 6(c), the balance on the relevant Principal Deficiency Ledger shall be reduced to zero.

Estimated Loss Ledger

If the Notes are redeemed by the Issuer in accordance with Condition 6(c) and on such date there are Defaulted Receivables which are sold to the Seller an Estimated Loss Ledger comprising five sub-ledgers (the Class B Estimated Loss Ledger, the Class C Estimated Loss Ledger, the Class D Estimated Loss Ledger, the Class E Estimated Loss Ledger and the Class F Estimated Loss Ledger) will be established by or on behalf of the Issuer. To such ledger an amount equal to the Outstanding Principal Amount of the Defaulted Receivables less the sum of (i) the Market Value and (ii) the Reserve Account Excess (the '**Estimated Loss Amount**') will be debited. The '**Reserve Account Excess**' means an amount equal to the lower of (i) the balance standing to the credit of the Reserve Account after the payments pursuant to the Interest Priority of Payments have been made on such date and (ii) the Outstanding Principal Amount of the Defaulted Receivables less the Market Value. The Estimated Loss Amount will be debited to the Estimated Loss Ledger in the same way Realised Losses are debited to the Principal Deficiency Ledger. Any amounts received as deferred purchase price instalments in respect of Defaulted Receivables after the Estimated Loss Amount has been debited to the Estimated Loss Ledger will, as Post Foreclosure Proceeds, be credited in accordance with and subject to the Interest Priority of Payments to the relevant sub-ledger of the Estimated Loss Ledger.

Sale of Receivables

The Issuer may not dispose of the Receivables, except to comply with its obligations under the Notes in certain circumstances and further as provided in the Trust Deed. If the Issuer decides to offer for sale (part of) the Receivables it will first offer such Receivables to the Seller. Except in the circumstances as set out below, the Seller will pay a purchase price equal to the purchase price a third party is willing to pay for the Receivables.

Sale of Receivables on an Optional Redemption Date

The Issuer will have the right to sell and assign all but not some of the Receivables on each Optional Redemption Date, provided that the Issuer shall apply the proceeds of such sale to redeem the Notes. The Issuer shall first offer the Receivables for sale to the Seller. The Seller shall within a period of 15 business days inform the Issuer whether it wishes to repurchase the Receivables. After such 15 business day period, the Issuer may offer such Receivables for sale to any third party.

Purchase Price in case of a sale to the Seller

The purchase price of the Receivables (other than Defaulted Receivables) in the event of a sale to the Seller will be the aggregate Outstanding Principal Amount in respect of the Receivables (other than Defaulted Receivables) together with any accrued interest up to but excluding the date of repurchase and re-assignment of the relevant Receivables and any costs incurred by the Issuer in effecting and completing such sale and re-assignment.

The purchase price of the Defaulted Receivables will consist of an initial purchase price and a deferred purchase price. The initial purchase price, which will be paid on the date of repurchase and re-assignment of the Defaulted Receivables, will be equal to the sum of (i) the Market Value and (ii) any costs incurred by the Issuer in effecting and completing such sale and re-assignment. The deferred purchase price will be paid in four instalments on each subsequent Quarterly Payment Date. The amount of each of the first three instalments will be equal to the positive difference between (i) the total amount the Seller has received or recovered in respect of the Defaulted Receivables and (ii) the (part of the) purchase price already paid to the Issuer in respect of the Defaulted Receivables. The fourth and last deferred purchase price instalment will be equal to the positive difference between (i) the Final Market Value and (ii) the (part of the) purchase price already paid to the Issuer in respect of the Defaulted Receivables. Upon the sale of the Receivables (including any Defaulted Receivables) to the Seller, the Estimated Loss Amount will be debited to the Estimated Loss Ledger.

Purchase Price in case of a sale to a third party

The Issuer will use its best efforts to sell the Receivables (including any Defaulted Receivables) to a third party (should the Seller decide not to purchase the Receivables) for a price equal to the higher of (i) the aggregate Outstanding Principal Amount in respect of such Receivables together with any accrued interest up to but excluding the date of

repurchase and re-assignment of the relevant Receivables and any costs incurred by the Issuer in effecting and completing such sale and re-assignment and (ii) the aggregate market value of such Receivables. (see also *Maturity Risk* in *Risk Factors*).

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

On each Quarterly Payment Date, the Seller has the option to exercise Clean-Up Call Option. The same as set out above under *Sale of Receivables on an Optional Redemption Date* applies to the sale of Receivables if the Seller exercises the Clean-Up Call Option.

Sale of Receivables if the Regulatory Call Option is exercised

On each Quarterly Payment Date, the Seller has the option to exercise the Regulatory Call Option. The Issuer has undertaken in the Receivables Purchase Agreement to sell and assign the Receivables (including any Defaulted Receivables) to the Seller or any third party appointed by the Seller in its sole discretion if the Regulatory Call Option is exercised. The proceeds of such sale shall be applied by the Issuer towards redemption of the Notes on a sequential basis in accordance with Condition 6(b)(A)(II) and subject to Condition 9(b). The purchase price of the Receivables will be at least equal to the Outstanding Principal Amount in respect of the relevant Receivables together with any accrued interest up to but excluding the date of repurchase and re-assignment of the Receivables and any costs incurred by the Issuer in effecting and completing such sale and re-assignment.

Sale of Receivables if the Seller is obliged to repurchase

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

Swap Agreement

Interest Rate Hedging

The Receivables Criteria require that all Loans bear a fixed rate of interest, which is subject to a reset from time to time, or a floating rate of interest. If the Notes bear a floating interest rate, the interest rate payable by the Issuer on the Notes will be calculated as a margin over Euribor. The Issuer will mitigate its interest rate exposure by entering into the Swap Agreement.

Under the Swap Agreement, the Issuer will agree to pay on each Quarterly Payment Date the sum of:

- (a) the interest and accrued interest, including any prepayment penalties and penalty interest ("*boeterente*"), received on the Receivables during the immediately preceding Quarterly Calculation Period (whether or not due in respect of such Quarterly Calculation Period); plus
 - (x) an amount equal to the sum of (i) any interest and accrued interest in respect of all Defaulted Receivables (a) in respect of which a Realised Loss has occurred during the immediately preceding Quarterly Calculation Period or (b) which have been sold to the Seller in connection with the redemption of the Notes in accordance with Condition 6(c) and (ii) any foreclosure costs in respect of such Defaulted Receivables to the extent such costs have been deducted on any previous Quarterly Payment Date as expenses set out in items (a) up to and including (c) of the Interest Priority of Payments; less
 - (y) the expenses set out in items (a) up to and including (c) of the Interest Priority of Payments payable on each relevant Quarterly Payment Date; plus
- (b) the interest paid on the Transaction Accounts during the immediately preceding Quarterly Calculation Period.

The Swap Counterparty will agree to pay on each Quarterly Payment Date the sum of:

- (a) the interest due under the Notes, and calculated by reference to the rate of interest applied to the Principal Amount Outstanding of the Notes (as reduced by any outstanding debit balance on the respective sub-ledger of the Principal Deficiency Ledger) on the first day of the relevant Interest Period; plus

- (b) (i) up to (and including) the Optional Redemption Date on which the Issuer exercise its option to redeem the Notes pursuant to Condition 6(c), an excess margin of 0.15 per cent. per annum applied to the aggregate Principal Amount Outstanding of the Notes on the first day of the relevant Interest Period less the balance of the Principal Deficiency Ledger on such date and (ii) thereafter, zero (the '**Excess Margin**').

The Swap Agreement entered into by the Issuer will be documented under an ISDA Master Agreement. The Swap Agreement will be terminable by one party 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 terminated 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 no market quotation can 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 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.

The Swap Counterparty will at its own cost, if it is unable to transfer its rights and obligations under the Swap Agreement to another office, 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.

If the Swap Counterparty ceases to have certain required ratings by the Rating Agencies, the Swap Counterparty will be required to take certain remedial measures which may include the provision of collateral for its obligations under the Swap Agreement, arranging for its obligations under the Swap Agreement to be transferred to an entity with such required ratings, procuring another entity with at least such certain required ratings assigned to the Rating Agencies to become co-obligor in respect of its obligations under the Swap Agreement, or the taking of any other action to maintain the then current ratings assigned to the Rated Notes. A failure to take such steps, subject to certain conditions, will give the Issuer a right to terminate the Swap Agreement.

OVERVIEW OF THE DUTCH SME MARKET

According to the data of the Dutch Central Bureau for Statistics, the Netherlands held 741,000 enterprises as per November 2006. At least 99 per cent. are small and medium sized companies. The number of agricultural companies decreased to approximately 82,000 (11 per cent.).

Almost 50 percent are one-man businesses, 20 per cent. are partnerships and 28 percent are limited companies. The number of start-ups is 75,000 per annum.

The Dutch small and medium enterprise ("**SME**") segment provides employment for over 3.6 million and accounts for a total turnover of Euro 368 billion and a total profit of Euro 22 billion at 31 December 2005. The contribution to the national income is 73 per cent.

Small and medium sized companies thus play an essential role in economic growth and the creation of employment.

With a market share of 15 percent in the Dutch SME market, ABN AMRO has a firm and growing position amongst the three dominating banking institutions in this market. Next to these institutions there are a number of niche players targeting specific market segments. Foreign (non-Dutch) financial institutions do not play any significant role in the Dutch SME market.

In the Netherlands, SME customers are served by the Business Unit Netherlands ("**BU NL**"), one of the five regional client business units of ABN AMRO. The BU NL has an extensive retail network which consists of 639 branches, including 79 advisory branches where loans are originated. The BU NL employs approximately 19,000 full-time equivalent employees. In general SME customers are provided with an integrated package of financial services, including payment services, medium and long term loans, flexible debit and credit facilities as well as insurance products.

DESCRIPTION OF ABN AMRO BANK N.V.

The following documents shall be deemed to be incorporated in, and form part of, this Prospectus:

- (a) ABN AMRO Holding's publicly available consolidated audited annual financial statements for the years ended 31 December 2005, 31 December 2004 and 31 December 2003; and
- (b) ABN AMRO's registration document dated 30 June 2006 pursuant to the Commission Regulation (EC) No 809/2004 (the EU Prospectus Regulation) for ABN AMRO Holding and ABN AMRO as approved by the AFM on 29 June 2006 as amended and supplemented on 8 August 2006, on 1 November 2006 and on 8 February 2007.

The Issuer will provide, without charge, to each person to whom a copy of this Prospectus has been delivered, upon the oral or written request of such person, a copy of any or all of the documents which are incorporated herein by reference. Written requests for such documents should be directed to the Issuer at its registered office set out at the end of this Prospectus. In addition, such documents will be available from the office in Breda of ABN AMRO in its capacity as Paying Agent.

DESCRIPTION OF LOANS

The Receivables to be sold and assigned to the Issuer on the Closing Date represent any and all rights of the Seller against Borrowers under or in connection with the Loans selected by agreement between the Seller and the Issuer on the Sale Date (the "**Final Portfolio**").

The numerical information set out below relates to the Final Portfolio.

Table A. Key Characteristics

Key Characteristics (as at Sale Date 01/02/2007)	
Outstanding Principal Balance	4,907,058,116
Average Outstanding Balance per Borrower	499,344
Maximum Loan Value	10,000,000
Number of Loans	14,670
Number of Borrowers	9,827
Weighted Average Seasoning (months)	25.14
Weighted Average Maturity ("WAM") (months)	139.97
Weighted Average Coupon ("WAC") (%)	4.71
Weighted Average UCR (before reset)	4+
Weighted Average UCR (after reset)	4

Table B. Loan Size

Loan Size (eurox1,000)	Number of Loans	Aggregate Outstanding Principal Amount (eurox1,000)	Proportion of Pool	WAM (months)	WAC (%)
0 <= Loan Size < 25	902	13,642	0.28%	65.08	5.36
25 <= Loan Size < 50	1,862	71,728	1.46%	90.91	5.27
50 <= Loan Size < 75	1,539	95,057	1.94%	108.39	5.14
75 <= Loan Size < 100	1,411	123,098	2.51%	126.17	5.05
100 <= Loan Size < 150	1,878	229,328	4.67%	134.77	4.93
150 <= Loan Size < 250	2,340	453,124	9.23%	145.15	4.81
250 <= Loan Size < 500	2,288	801,722	16.34%	154.78	4.69
500 <= Loan Size < 1,000	1,461	1,009,145	20.57%	151.99	4.60
1,000 <= Loan Size < 2,000	640	865,055	17.63%	147.70	4.59
2,000 <= Loan Size < 3,000	183	437,421	8.91%	137.09	4.62
3,000 <= Loan Size < 4,000	69	234,982	4.79%	120.43	4.78
4,000 <= Loan Size < 5,000	37	164,296	3.35%	124.12	4.71
5,000 <= Loan Size < 6,000	19	102,922	2.10%	105.84	4.80
6,000 <= Loan Size < 7,000	14	89,631	1.83%	91.88	4.82
7,000 <= Loan Size < 8,000	16	118,848	2.42%	103.62	4.74
8,000 <= Loan Size < 9,000	7	59,461	1.21%	137.87	4.74
9,000 <= Loan Size <= 10,000	4	37,600	0.77%	89.62	4.65
Total	14,670	4,907,058	100.00%	139.97	4.71

Table C. Borrower Exposure

Borrower Exposure (eurox1000)	Number of Borrowers	Aggregate Outstanding Principal Amount (eurox1,000)	Proportion of Pool	WAM (months)	WAC (%)
0 <= B.E. < 25	153	2,678	0.05%	52.37	5.30

25 <= B.E. < 50	906	35,673	0.73%	71.92	5.37
50 <= B.E. < 75	865	53,458	1.09%	94.79	5.20
75 <= B.E. < 100	800	69,596	1.42%	104.53	5.12
100 <= B.E. < 150	1,159	142,580	2.91%	121.32	5.04
150 <= B.E. < 250	1,569	304,534	6.21%	136.06	4.94
250 <= B.E. < 500	1,879	666,533	13.58%	152.03	4.78
500 <= B.E. < 1,000	1,371	958,623	19.54%	159.22	4.65
1,000 <= B.E. < 2,000	684	947,967	19.32%	151.22	4.58
2,000 <= B.E. < 3,000	207	500,231	10.19%	137.26	4.60
3,000 <= B.E. < 4,000	83	282,808	5.76%	132.70	4.68
4,000 <= B.E. < 5,000	52	231,549	4.72%	135.45	4.61
5,000 <= B.E. < 6,000	23	125,450	2.56%	119.85	4.72
6,000 <= B.E. < 7,000	20	129,214	2.63%	90.22	4.85
7,000 <= B.E. < 8,000	26	193,604	3.95%	112.31	4.76
8,000 <= B.E. < 9,000	19	159,977	3.26%	126.84	4.73
9,000 <= B.E. <= 10,000	11	102,583	2.09%	92.11	4.63
Total	9,827	4,907,058	100.00%	139.97	4.71

Table D. Origination Date

Origination Date	Number of Loans	Aggregate Outstanding Principal Amount (eurox1,000)	Proportion of Pool	WAM (months)	WAC (%)
1976 – 1989	213	21,658	0.44%	85.79	5.30
1990	63	5,959	0.12%	114.50	5.19
1991	63	6,673	0.14%	114.91	5.50
1992	89	7,633	0.16%	118.38	5.29
1993	164	16,850	0.34%	95.62	5.06
1994	167	14,307	0.29%	130.72	5.35
1995	138	19,161	0.39%	152.46	5.68
1996	231	19,198	0.39%	152.91	5.37
1997	258	38,735	0.79%	151.31	5.79
1998	273	40,458	0.82%	155.94	5.21
1999	404	107,833	2.20%	137.60	5.09
2000	389	52,546	1.07%	152.94	5.32
2001	475	78,719	1.60%	144.66	5.16
2002	477	104,184	2.12%	153.56	5.15
2003	588	161,626	3.29%	169.18	4.81
2004	1,056	415,311	8.46%	148.86	4.68
2005	5,189	2,130,849	43.42%	142.53	4.58
2006	4,433	1,665,356	33.94%	130.88	4.70
Total	14,670	4,907,058	100.00%	139.97	4.71

Table E. Maturity Date

Maturity Date	Number of Loans	Aggregate Outstanding Principal Amount (eurox1,000)	Proportion of Pool	WAM (months)	WAC (%)
2006 <= Maturity < 2010	1,411	269,312	5.49%	21.18	4.74
2010 <= Maturity < 2015	4,409	1,239,809	25.27%	56.29	4.80
2015 <= Maturity < 2020	3,969	1,546,066	31.51%	110.41	4.66
2020 <= Maturity < 2025	1,562	554,375	11.30%	175.79	4.77
2025 <= Maturity < 2030	1,892	724,999	14.77%	229.63	4.71
2030 <= Maturity < 2040	1,378	547,712	11.16%	302.83	4.59
2040 <= Maturity < 2050	44	22,978	0.47%	430.42	4.46
2050 <= Maturity < 2053	5	1,808	0.04%	518.86	4.81
Total	14,670	4,907,058	100.00%	139.97	4.71

Table F. Interest Rate Type

Interest Rate Type	Number of Loans	Aggregate Outstanding Principal Amount (eurox1,000)	Proportion of Pool	WAM (months)	WAC (%)
Fixed Interest Rate	8,299	1,565,420	31.90%	148.21	4.87
Variable Interest Rate	6,371	3,341,639	68.10%	136.10	4.64
Total	14,670	4,907,058	100.00%	139.97	4.71

Table G. Payment Frequency

Payment Frequency	Number of Loans	Aggregate Outstanding Principal Amount (eurox1,000)	Proportion of Pool	WAM (months)	WAC (%)
Monthly	8,239	2,712,570	55.28%	147.49	4.66
Bi-monthly	2	184	0.00%	180.60	4.25
Quarterly	6,359	2,147,644	43.77%	130.94	4.77
Semi-Annually	52	43,383	0.88%	115.34	4.66
Annually	18	3,277	0.07%	153.11	5.06
Total	14,670	4,907,058	100.00%	139.97	4.71

Table H. Total Client Coupon

Total Client Coupon	Number of Loans	Aggregate Outstanding Principal Amount (eurox1,000)	Proportion of Pool	WAM (months)	WAC (%)
2.0% <= r < 2.5%	4	2,528	0.05%	317.71	2.31
2.5% <= r < 3.0%	32	10,216	0.21%	117.83	2.79
3.0% <= r < 3.5%	164	60,994	1.24%	147.16	3.29
3.5% <= r < 4.0%	870	294,525	6.00%	144.41	3.79
4.0% <= r < 4.5%	2,977	1,404,628	28.62%	151.72	4.30
4.5% <= r < 5.0%	4,782	1,964,190	40.03%	136.99	4.72
5.0% <= r < 5.5%	2,958	747,592	15.24%	127.71	5.20
5.5% <= r < 6.0%	1,495	232,326	4.73%	124.80	5.69
6.0% <= r < 6.5%	719	121,342	2.47%	139.84	6.19
6.5% <= r < 7.0%	410	40,924	0.83%	141.22	6.67
7.0% <= r < 7.5%	146	16,242	0.33%	140.22	7.21
7.5% <= r < 8.0%	58	7,839	0.16%	134.61	7.79
8.0% <= r < 8.5%	28	1,619	0.03%	136.14	8.21
8.5% <= r < 9.0%	16	977	0.02%	134.11	8.70
9.0% <= r < 9.5%	2	620	0.01%	315.97	9.15
9.5% <= r < 10.0%	2	130	0.00%	97.15	9.70
10.0% <= r < 10.5%	2	61	0.00%	87.99	10.09
10.5% <= r < 11.0%	1	69	0.00%	16.56	10.65
11.0% <= r < 11.5%	2	93	0.00%	79.32	11.15
11.5% <= r < 12.0%	1	38	0.00%	43.11	11.85
12.0% <= r <= 13.0%	1	107	0.00%	30.33	12.70
Total	14,670	4,907,058	100.00%	139.97	4.71

Table I. Interest Reset Dates for Relevant Loans

Interest Reset Dates for Relevant Loans	Number of Loans	Aggregate Outstanding Principal Amount (eurox1,000)	Proportion of Pool	WAM (months)	WAC (%)
2007	7,296	2,387,805	48.66%	141.33	4.73
2008	995	361,526	7.37%	138.93	4.69
2009	1,032	340,717	6.94%	135.55	4.70
2010	1,379	489,632	9.98%	132.75	4.72
2011	2,372	818,996	16.69%	137.67	4.67
2012	213	75,303	1.53%	158.95	4.63
2013	106	29,694	0.61%	160.42	4.85
2014	103	29,224	0.60%	114.56	4.74
2015	288	83,769	1.71%	159.02	4.65
2016	787	262,733	5.35%	145.02	4.71

2017	44	11,910	0.24%	106.19	4.64
2018	3	672	0.01%	92.12	4.56
2019	2	290	0.01%	288.32	5.85
2020	8	2,415	0.05%	164.81	4.61
2021	19	6,758	0.14%	183.00	4.56
2022	2	564	0.01%	136.49	5.97
2023	6	313	0.01%	36.06	5.46
2024	0	0	0.00%	0.00	0.00
2025	6	1,447	0.03%	234.58	4.56
2026	4	1,181	0.02%	123.95	4.66
2027	0	0	0.00%	0.00	0.00
2028	1	425	0.01%	49.02	4.88
2029	0	0	0.00%	0.00	0.00
2030	2	257	0.01%	147.82	4.70
2031	2	1,427	0.03%	12.69	4.80
2032	0	0	0.00%	0.00	0.00
2033	0	0	0.00%	0.00	0.00
Total	14,670	4,907,058	100.00%	139.97	4.71

Table J. UCR (Before Reset as of Jan 2007)

UCR	Number of Borrowers	Aggregate Outstanding Principal Amount (eurox1,000)	Proportion of Pool	WAM (months)	WAC (%)
2	191	140,401	2.86%	149.32	4.72
2-	204	179,810	3.66%	134.68	4.62
3+	549	180,248	3.67%	139.78	4.70
3	1,238	530,186	10.80%	137.96	4.67
3-	1,082	568,403	11.58%	132.12	4.68
4+	1,176	617,991	12.59%	143.54	4.65
4	2,825	1,462,897	29.81%	136.08	4.72
4-	1,421	710,333	14.48%	140.38	4.76
5+	645	289,112	5.89%	163.30	4.78
5	496	227,678	4.64%	147.15	4.83
Total	9,827	4,907,058	100.00%	139.97	4.71

Table K. UCR (After Reset as of Jan 2007)

UCR	Number of Borrowers	Aggregate Outstanding Principal Amount (eurox1,000)	Proportion of Pool	WAM (months)	WAC (%)
2	22	83,245	1.70%	157.11	4.72
2-	20	79,564	1.62%	95.02	4.81
3+	1,130	225,232	4.59%	130.58	4.82
3	379	243,969	4.97%	112.05	4.70

3-	810	310,939	6.34%	111.87	4.77
4+	999	677,703	13.81%	140.06	4.64
4	1,667	944,559	19.25%	139.49	4.71
4-	1,921	1,012,121	20.63%	140.13	4.69
5+	1,809	874,410	17.82%	155.14	4.68
5	654	290,256	5.92%	154.23	4.75
5-	416	165,061	3.36%	155.87	4.91
Total	9,827	4,907,058	100.00%	139.97	4.71

Table L. UCR Distribution Across Top 20 Borrower Exposures

Top Borrower	Aggregate Outstanding Principal Amount (eurox1,000)	Proportion of Pool	UCR (Before Reset)	UCR (After Reset)
1	10,000	0.20%	2-	2-
2	10,000	0.20%	3+	3+
3	9,562	0.19%	4	4-
4	9,500	0.19%	4	4
5	9,125	0.19%	4-	4-
	48,187	0.98%		
6	9,110	0.19%	4+	4
7	9,100	0.19%	3-	3-
8	9,077	0.18%	4	4+
9	9,059	0.18%	4	4
10	9,050	0.18%	3	3
	93,583	1.91%		
11	9,000	0.18%	4	4-
12	8,975	0.18%	4-	4-
13	8,875	0.18%	2-	2-
14	8,865	0.18%	4+	4+
15	8,736	0.18%	3+	3+
	138,033	2.81%		
16	8,690	0.18%	4	4-
17	8,610	0.18%	3	3
18	8,571	0.17%	4	4
19	8,460	0.17%	2	2
20	8,446	0.17%	3-	3-
	180,811	3.68%		

Table M. Legal nature of underlying Borrower

Legal nature	Number of Borrowers	Aggregate Outstanding Principal Amount (eurox1,000)	Proportion of Pool	WAM (months)	WAC (%)
Associations and foundations	169	166,047	3.38%	162.35	4.76
Clearing Institutes	2	4,978	0.10%	77.36	5.76
Medical Institutions	15	57,122	1.16%	152.36	4.96
Other Financial Institutions	5	3,353	0.07%	219.39	4.77
Other Public Entities	1	627	0.01%	155.25	5.00
Private Companies	3,363	2,565,937	52.29%	122.86	4.72
Self employed and firms	6,272	2,108,994	42.98%	158.70	4.69
Total	9,827	4,907,058	100.00%	139.97	4.71

Table N. Regional Distribution (see notes on Table N below)

Regional Distribution	Number of Borrowers	Aggregate Outstanding Principal Amount (eurox1,000)	Proportion of Pool	WAM (months)	WAC (%)
Drenthe	354	191,427	3.90%	135.37	4.71
Flevoland	295	141,772	2.89%	137.38	4.70
Friesland	661	323,328	6.59%	150.02	4.71
Gelderland	1,408	702,298	14.31%	138.80	4.71
Groningen	533	242,758	4.95%	130.34	4.71
Limburg	616	314,026	6.40%	135.13	4.73
Noord-Brabant	1,339	628,061	12.80%	140.08	4.66
Noord-Holland	1,340	712,409	14.52%	136.33	4.74
Overijssel	769	393,472	8.02%	142.70	4.66
Utrecht	589	276,172	5.63%	148.64	4.69
Zeeland	393	188,678	3.85%	145.53	4.80
Zuid-Holland	1,518	786,263	16.02%	140.85	4.73
Not Classified	12	6,395	0.13%	136.09	4.50
Total	9,827	4,907,058	100.00%	139.97	4.71

Note

The borrower is associated to the region in respect of the first loan in the portfolio.

Table O. Amortisation Profile

Amortisation Profile	Number of Loans	Aggregate Outstanding Principal Amount (eurox1,000)	Proportion of Pool	WAM (months)	WAC (%)
Bullet	3,793	1,288,451	26.26%	105.55	4.69
Linear	10,417	3,330,016	67.86%	153.64	4.70
Annuity	121	33,810	0.69%	174.97	5.44
Balloon	161	101,586	2.07%	90.38	4.62
Other Amortisation Profiles	178	153,195	3.12%	157.39	4.91
Total	14,670	4,907,058	100.00%	139.97	4.71

Table P. Sector Distribution (see notes on collateral tables below)

Sector Distribution	Number of Borrowers	Aggregate Outstanding Principal Amount (eurox1.000)	Proportion of Pool	WAM (months)	WAC (%)	WA Coverage Ratio - 75% Foreclosure Value (100% Cap)	WA Coverage Ratio - 100% Foreclosure Value (100% Cap)	WA Coverage Ratio - 75% Foreclosure Value (150% Cap)	WA Coverage Ratio - 100% Foreclosure Value (150% Cap)
Farming	1,184	649,157	13.23%	176.73	4.42	0.96	0.99	1.21	1.38
Fishing	48	45,275	0.92%	113.32	4.62	0.91	0.96	1.03	1.29
Forestry	2	3,396	0.07%	106.36	4.78	1.00	1.00	1.25	1.50
Horticulture	760	421,786	8.60%	179.96	4.42	0.92	0.96	1.12	1.31
Business Services	821	326,053	6.64%	105.48	4.88	0.50	0.56	0.54	0.67
Chemical Industry	50	70,044	1.43%	78.82	4.87	0.40	0.45	0.42	0.53
Construction	488	180,631	3.68%	127.31	4.78	0.63	0.71	0.70	0.86
Education	25	39,633	0.81%	190.92	4.53	0.37	0.39	0.47	0.49
Financial Institutions	371	117,217	2.39%	104.99	4.77	0.56	0.63	0.63	0.76
Food Industry	59	61,474	1.25%	134.34	4.54	0.70	0.82	0.74	0.93
Health & Social Services	1,062	327,777	6.68%	157.28	5.05	0.64	0.73	0.72	0.87
Hotels & Restaurants	628	231,462	4.72%	134.86	4.88	0.82	0.88	0.93	1.15
Manufacturing	180	97,636	1.99%	103.52	4.73	0.63	0.70	0.72	0.86
Metal Industry	295	191,909	3.91%	120.96	4.85	0.69	0.78	0.75	0.93
Mining	7	6,970	0.14%	70.96	4.96	0.54	0.59	0.69	0.79
Other Services	493	287,978	5.87%	155.99	4.84	0.75	0.83	0.86	1.04
Public	30	8,611	0.18%	139.52	4.67	0.62	0.70	0.72	0.86
Public Utilities	3	2,269	0.05%	153.77	6.10	0.37	0.49	0.38	0.50
Real Estate	536	435,334	8.87%	135.34	4.61	0.86	0.93	0.97	1.20
Retail Trade	1,316	437,160	8.91%	126.33	4.70	0.57	0.64	0.64	0.78
TMT	155	86,458	1.76%	106.68	5.04	0.52	0.59	0.58	0.70
Transport	419	322,424	6.57%	135.98	4.70	0.84	0.89	0.98	1.19
Wholesale Trade	773	503,917	10.27%	124.19	4.79	0.70	0.77	0.78	0.95
Stil to / not classified	122	52,489	1.07%	129.82	4.90	0.57	0.63	0.65	0.76
Total	9,827	4,907,058	100.00%	139.97	4.71	0.74	0.80	0.86	1.03

Table Q. Collateral Type (see notes on collateral tables below)

Collateral Type	Number of Borrowers	Aggregate Outstanding Principal Amount (eurox1.000)	Proportion of Pool	WAM (months)	WAC (%)	WA Coverage Ratio - 75% Foreclosure Value (100% Cap)	WA Coverage Ratio - 100% Foreclosure Value (100% Cap)	WA Coverage Ratio - 75% Foreclosure Value (150% Cap)	WA Coverage Ratio - 100% Foreclosure Value (150% Cap)
Only Residential Mortgages	1,616	369,347	7.53%	150.76	5.00	0.72	0.82	0.79	0.99
Only Commercial Mortgages	4,201	2,683,578	54.69%	151.99	4.59	0.85	0.93	0.99	1.20
Other forms of Collateral	1,819	777,601	15.85%	75.13	4.86	0.16	0.16	0.17	0.17
Part Residential Part Commercial	1,185	419,439	8.55%	155.06	4.82	0.91	0.97	1.08	1.29
Part Residential Part Commercial Part Other	180	99,869	2.04%	152.05	4.83	0.91	0.96	1.06	1.25
Part Commercial Part Other	709	541,204	11.03%	153.85	4.79	0.87	0.93	1.01	1.18
Part Residential Part Other	117	16,020	0.33%	84.75	4.96	0.70	0.74	0.83	0.91
Total	9,827	4,907,058	100.00%	139.97	4.71	0.74	0.80	0.86	1.03

Notes on Collateral Tables P and Q

Referring to residential & commercial real estate, foreclosure value is in general between 85% and 90% of market value. Reduced 75% foreclosure value assumption applies to residential & commercial real estate only.

Caps of 100% and 150% are applied to individual borrowers to reflect that collateral from one client cannot be used in connection with another.

"Other" forms of collateral includes personal liability, life insurance and borrowing base on stocks and trade receivables.

Valuation of mortgage collateral is performed at the date of origination and may be updated only if required in the ordinary course of business of ABN AMRO as a servicer.

LOAN UNDERWRITING AND SERVICING

The following is a description of ABN AMRO's general underwriting and servicing processes for SME loans.

Risk Management

ABN AMRO Group Functions ("**Group Functions**") is responsible for formulating and setting the overall policy framework for credit-, country-, market-, industry-, product- and operational risk for ABN AMRO. This is done in close co-operation with the Business Units (the "**BUs**"). The credit risk management function within the Consumer and commercial Clients segment of BU NL is structured along regional lines with Risk Management Netherlands ("**RM NL**"), which is also part of the BU NL, and which is, amongst others, responsible for The Netherlands. RM NL formulates the overall credit policy regarding their focus area within the frameworks and delegated authorities set by Group Functions to the branches of the network and thereby provides the account managers with guidelines.

Origination

The Loans have been originated through 79 advisory branches of ABN AMRO, which are part of its Dutch retail network. Loan products are sold by trained teams of account managers. The training focuses not only on commercial skills but also on risk management related subjects. Account managers receive support from specialists in cases concerning more complex credit applications and/or agricultural and medical clients.

Acceptance

The account manager is supported by credit processing tools for applications (and annual reviews). Additionally they have access to a credit rating tool and a loan pricing tool.

Before an account manager can present a prospective SME client with an offer to enter into a loan agreement, the credit risk is first assessed by a credit analyst and then the credit proposal is put forward for approval to the relevant credit authority. The loan size combined with existing credit facilities (together, "**One Obligor Exposure**") determine the authorised credit body in the organisation.

Key elements in the approval process are:

- (a) separation of commercial function and approval authority: the account manager prepares a credit proposal and the credit analyst gives his/her independent credit analysis in writing in case of a borrower exposure greater than Euro 1 million, after which the proposal and the analysis are submitted for approval to the relevant authorised persons/committee, such approval to be based on the character of the proposal and the amount of exposure; and
- (b) objectivity and consistency of the risk assessment: to ensure the objectivity and consistency of the risk assessment, a proposal is required to be assessed and approved by one experienced and independent person (in case of a client with good internal credit rating) or two experienced and independent persons or a credit committee with a quorum of at least three experienced officers (in case of higher risk profiles and/or large exposures).

Monitoring and Servicing of the Loans

The administration procedures are carried out automatically by a system that supports the credit process or, if manually, by transaction services. Transaction services is responsible for the overall input into the loan systems.

RM NL is responsible, however, for filing the original loan documents and the collateral securities.

The daily monitoring of individual credit facilities is primarily the responsibility of the account manager. With respect to their credit portfolio, the account managers receive each week, a portfolio summary and daily, a list of (unauthorised) overdrafts on the current accounts. The list contains unauthorised overdrafts of > 45 days for signalling purposes and unauthorised overdrafts > 90 days which are in default. The payments of interest and redemption on the loans are automatically collected by direct debit from the relevant current accounts.

Credit facilities with a One Obligor Exposure exceeding Euro 500,000 are reviewed annually. The review takes place based on financial information (an annual report) provided by the client, and his/her payment behaviour in the past

year. This may lead to adjustments of the credit qualification and other conditions. In cases of start-up companies and/or new clients, it is recommended during the first two years of a credit that a six-monthly review is carried out.

For credit facilities with a One Obligor Exposure of up to Euro 500,000 (including loan products) the monitoring process is supported by behavioural scoring strategies. If the risk indicator (calculated monthly) (the "**Customer Risk Grade**") is positive and there is a low risk credit qualification, no annual review will be carried out. If the Customer Risk Grade indicates a deteriorating risk profile, the account manager must take immediate action and, if necessary, present a credit proposal to RM NL.

Foreclosure Procedures in general

The loans will be transferred to the Financial Restructuring and Recovery Department ("**FR&R**") (i) if the financial position of a client has deteriorated (which is identified during periodical reviews) or, (ii) if a client fails to meet his/her obligations arising from any contractual relationship or (iii) if an unauthorised overdraft remains unsolved for more than 90 days. This department will assess the financial position of the obligor and will explore and discuss the possibilities to restore creditworthiness. If FR&R is of the opinion that the obligor could recover from the situation which it is in, it will draft a procedural plan, which the obligor is demanded to comply with.

If FR&R assesses the financial difficulties of the obligor as being too severe, or if the client does not agree to the proposed procedural plan, the decision will be made to recover the loan. The obligor will then, depending on the case, either be transferred to the Recovery Department of FR&R or be transferred to Solveon Incasso B.V. ("**Solveon**").

Foreclosures by Solveon

The collection agency Solveon, is at the date of this Prospectus, a wholly owned subsidiary of ABN AMRO. It specialises in foreclosing large numbers of relatively small loans (generally for One Obligor Exposures up to Euro 250,000), which it does, in a mainly computerised and standardised way, on the basis of a procedural plan. Once a client has been transferred to Solveon, the loan is cancelled in writing and the entire outstanding sum is demanded.

Solveon effects the settlement and collection of unpaid debts to ABN AMRO. Solveon processes delinquent loans for ABN AMRO's consumer and small business operations in The Netherlands, including the SME business. In doing so, Solveon aims to minimise the losses incurred by ABN AMRO. Solveon's operating philosophy combines standardisation (guidelines and fixed processes and procedures), efficiency (use of IT and outsourcing) and specialisation in the conduct of its business.

Hand-over to the special servicer Solveon from the branch network takes place between 90-120 days from the moment on which the borrower fails to meet its obligation to pay. This hand-over process follows arrears management. Solveon summons the client within one week. Within one month after this summoning (*aanmaning*) the credit facilities are cancelled (*kredietfaciliteiten worden opgezegd*).

In a substantial number of cases, Solveon agrees a settlement with the client in the beginning of the process. Solveon seeks the co-operation of the obligor for the sell-off of the collateral in order to maximise proceeds. If the client fails to co-operate or in the case of bankruptcy, formal foreclosure commences. The whole process on average takes less than one year.

Foreclosure by FR&R

Generally, for One Obligor Exposures that are in excess of Euro 250,000, foreclosure is performed by FR&R. In general, foreclosure is performed in one of the following manners:

- (a) voluntarily: having been given notice, the obligor repays the bank fully; or
- (b) involuntarily: having been given notice, the obligor does not or cannot repay (fully), after which the bank starts selling off the collateral, preferably with the co-operation of the obligor.

The procedure which will be used corresponds with the methodology of Solveon, although, due to the size of the loan, the organisational structure and the collateral security position are more complex. Consequently, the foreclosure process will be more tailored. Depending on the collateral security position, the morality and the financial situation of the client, FR&R decides the most effective repayment method (either involuntarily or gradually) in order to optimise the

result. During a gradual repayment, the credit facility will be slowly reduced to zero, without immediate foreclosure or without foreclosure at all. During a foreclosure, the credit facility will be cancelled immediately and the SME client will be foreclosed through sale of assets. If necessary collateralised assets will be kept in custody.

Employees of ABN AMRO involved in any part of the credit process (from origination to foreclosure) cannot identify whether the credit risk pertaining to a loan is held by ABN AMRO or held by the Issuer.

UCR adjustment

In line with ABN AMRO's risk management policies and with the requirements of the Basle Accord, ABN AMRO is required to perform a yearly validation of the Uniform Counterparty Ratings ("**UCR**") and the UCR rating tool.

Based on the UCR rating review performed in 2006 in respect of ABN AMRO's Dutch SME portfolio an adjustment of UCR ratings was required. This adjustment was implemented as of 1 January 2007.

The reason for this adjustment was that for the Dutch SME portfolio, the observed (long-run) realized default rates per individual UCR class needed to be better aligned with the expected default probabilities based on the ABN AMRO's UCR master scale.

ABN AMRO has informed the Issuer that:

- the UCR adjustment was not caused by a deterioration of the underlying Dutch SME portfolio;
- default expectations have not changed for the Dutch SME portfolio rather the allocation of individual assets to UCR classes have been adjusted to make the expected default rate per UCR class consistent with ABN AMRO's UCR master scale;
- the UCR adjustment has no impact on losses in the Dutch SME portfolio and that provisioning was not adjusted.

RECEIVABLES PURCHASE AGREEMENT

Under the Receivables Purchase Agreement the Issuer will purchase and, on the Closing Date, accept from the Seller the assignment of the Receivables by means of a registered deed of assignment as a result of which legal title to the Receivables is transferred to the Issuer by the Seller. The assignment of the Receivables from the Seller to the Issuer will not be notified to the Borrowers, except upon the occurrence of any of the events described below (**'Notification Events'**). Until such notification the Borrowers will only be entitled to validly pay ("*bevrijdend betalen*") to the Seller. The Issuer will be entitled to all interest amounts (including penalty interest) and all principal amounts and prepayment penalties becoming due in respect of the Receivables from (and including) 1 February 2007 (the "**Sale Date**"). The Seller (or a third party on its behalf) will pay to the Issuer on or before each Monthly Payment Date all proceeds received during the immediately preceeding Monthly Calculation Period in respect of the Receivables.

Purchase Price

The purchase price for the Receivables shall consist of an initial purchase price (the '**Initial Purchase Price**'), being the aggregate Outstanding Principal Amount in respect of the Receivables at the Sale Date, which shall be payable on the Closing Date, and a deferred purchase price (the '**Deferred Purchase Price**'). The Deferred Purchase Price shall be equal to the sum of all instalments in respect of the Deferred Purchase Price and each instalment (each a '**Deferred Purchase Price Instalment**') will (A) prior to delivery of an Enforcement Notice, on the Quarterly Payment Date on which the Notes are redeemed in full and any Quarterly Payment Date thereafter be equal to the positive difference, if any, between the Notes Interest Available Amount as calculated on each Quarterly Calculation Date and the sum of all amounts payable by the Issuer as set forth in the Interest Priority of Payments under (a) up to and including (r) or, as the case may be, (B) on any Quarterly Payment Date following delivery of an Enforcement Notice, be the amount remaining after all the payments as set forth in the Priority of Payments upon Enforcement under (a) up to and including (o) (see *Credit Structure* above) on such date have been made. The '**Outstanding Principal Amount**' means, at any moment in time, the principal balance ("*hoofdsom*") in respect of a Receivable resulting from a Loan at such time and after the occurrence of a Realised Loss in respect of such Receivable, zero.

Representations and warranties

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

- (a) each of the Receivables is duly and validly existing;
- (b) the Seller has full right and title to the Receivables and power to assign the Receivables and the Receivables are capable of being assigned and the terms and conditions applicable to each Loan, as set forth in the relevant mortgage deed and/or in any loan document, offer document or any other document and/or in any applicable general terms and conditions for loans of the Seller, as from time to time in effect (the "**Loan Conditions**"), do not impose any restriction on the assignment and/or pledge of the Receivables;
- (c) the Receivables are free and clear of any encumbrances and attachments and no option rights to acquire the Receivables have been granted in favour of any third party with regard to the Receivables;
- (d) each Receivable and the Security Interests, if any, are governed by Netherlands law;
- (e) each Receivable and the Security Interests, if any, constitute legal, valid, binding and enforceable obligations of the relevant Borrower vis-à-vis the Seller;
- (f) the Security Interests granted to secure the Receivables constitute valid mortgage rights ("*hypotheekrechten*"), rights of pledge ("*pandrechten*") and other security rights ("*zekerheidsrechten*") respectively on the Mortgaged Assets and the other assets which are subject to the Security Interests and, to the extent relating to the mortgage rights, have been entered into the appropriate public register ("*Dienst van het Kadaster en de Openbare Registers*");
- (g) each Receivable has been originated by the Seller in accordance with the Seller's standard underwriting criteria and procedures as at the time of origination (which procedures do not materially differ from procedures of a reasonable lender of Dutch loans as the Loans to borrowers as the Borrowers acting as a reasonable creditor in protection of its own interests) and has in all material respects been granted in accordance with all applicable legal requirements;
- (h) each Loan was originated by the Seller;
- (i) on the Sale Date, each of the Receivables meets the Receivables Criteria;

- (j) to the best of its knowledge and after having made reasonable enquiries at origination in its ordinary course of business, each of the Borrowers, when entering into a Loan, acted in the conduct of its/his profession or trade;
- (k) on the Sale Date no amounts due and payable under any of the Loans, were in arrears;
- (l) each of the Loans has been granted and each of the Security Interests has been vested, subject to the general terms and conditions and materially in the forms of mortgage deeds and pledge agreements as prevailing at such time;
- (m) without prejudice to (k), to the Seller's best knowledge, the Borrowers are not in any material breach of any provision of their Loans;
- (n) the Loan Conditions provide that all payments by the Borrowers in respect of their Loans should be made without deduction or set-off;
- (o) the mortgage deeds and the pledge agreements and the Loan Conditions in respect of the Loans do not contain any explicit provision on the issue whether the mortgage right or the rights of pledge follows the receivable upon its assignment; and
- (p) no receivables resulting from loans originated in the program lending environment (i.e. loans that are originated based on a credit assessment using score cards) are sold and assigned to the Issuer.

Receivables Criteria

On the Sale Date, each Borrower and/or Receivable (as applicable) must meet the following individual criteria (the 'Receivables Criteria'):

- (1) each Receivable is resulting from a term loan with a fixed final maturity and with an amortisation schedule providing for the repayment of principal according to any of the following repayment profiles:
 - (a) a term loan with an amortisation schedule providing for the repayment of fixed, equal amounts of principal at regular intervals until maturity ('**Linear Repayments**');
 - (b) a term loan with a fixed final maturity on which all principal outstanding becomes repayable ('**Bullet Repayment**');
 - (c) a term loan with an amortisation schedule providing for the repayment of fixed, equal amounts of principal at regular intervals and for the repayment of all remaining outstanding principal at maturity ('**Balloon Repayment**');
 - (d) a term loan with an amortization schedule for the repayment of fixed amounts of principal at regular intervals, which amounts are determined such that the sum of principal and interest payments are equal, until maturity ('**Annuity Repayment**'); or
 - (e) a term loan with an amortization schedule providing for the repayment of fixed, irregular amounts of principal and for the repayment of all remaining outstanding principal at maturity ('**Other Repayments**').
- (2) all principal amounts agreed to be advanced under each Receivable have been fully drawn down and no further advances are required to be made under the terms of such Receivables;
- (3) in respect of each Receivable, a minimum of at least one interest payment has been made;
- (4) the currency of denomination of each Receivable is Euro;
- (5) the legal final maturity of each Loan does not extend beyond 1 October 2051;
- (6) each Borrower is a private enterprise ("*particulier bedrijf*"), a financial institution, government related company ("*overheidsbedrijf*"), a medical institution, an association, a foundation or a professional practitioner ("*vrije beroepsoefenaar*");
- (7) each Borrower is resident of the Netherlands;
- (8) the aggregate Outstanding Principal Amount in respect of all Receivables resulting from one and the same credit agreement of the same Borrower or Borrowers does not exceed Euro 10,000,000;
- (9) the internal credit classification category attributed to each Borrower pursuant to the ABN AMRO Credit Score is between UCR 2 and (i) UCR 5 or better before the UCR adjustment (as of 1 January 2007) and (ii) UCR 5- or better after the UCR adjustment, whereby '**ABN AMRO Credit Score**' means the classification (from 1 to 8) assigned by the Seller to certain Borrowers as an indication of the perceived risk of default arising in respect of the obligations of such Borrower (where 1 indicates the lowest level of perceived risk and 8 indicates the highest level of perceived risk); and

- (10) none of the Borrowers is a group entity of the Seller (within the meaning of article 2:24(b) of the Netherlands Civil Code).

Repurchase

If at any time any of the representations and warranties relating to the Loans and the Receivables proves to have been untrue or incorrect, the Seller shall within 14 days of receipt of written notice thereof from the Issuer in any Monthly Calculation Period remedy the matter giving rise thereto and if such matter is not capable of remedy or is not remedied within the said period of 14 days, the Seller shall repurchase and accept re-assignment of the Receivable as soon as possible, but in any event ultimately on the Monthly Payment Date immediately succeeding such Monthly Calculation Period.

The Seller shall also undertake to repurchase and accept reassignment of a Receivable if it agrees with a Borrower to amend the terms of the relevant Loan in any Monthly Calculation Period and as a result thereof the relevant Loan does no longer meet certain of the Receivables Criteria and the representations and warranties of the Receivables Purchase Agreement, unless such amendment is made as part of the enforcement procedures to be complied with upon a default by the Borrower under the relevant Loan or is otherwise made as part of a restructuring or renegotiation of the Loan due to a deterioration of the credit quality of the Borrower as soon as possible, but in any event ultimately on the Monthly Payment Date immediately succeeding such Monthly Calculation Period.

In case of such a repurchase, the purchase price of the relevant Receivable (including any Defaulted Receivable) shall be equal to the Outstanding Principal Amount of the relevant Receivable, together with any accrued interest up to but excluding the date of repurchase and re-assignment of the relevant Receivable and any costs incurred by the Issuer in effecting and completing such sale and re-assignment.

Regulatory Call Option

On each Quarterly Payment Date the Seller has the option, but not the obligation, to repurchase the Receivables upon the occurrence of a Regulatory Change. A '**Regulatory Change**' will be a change published on or after the Closing Date in the Basle Capital Accord promulgated by the Basle Committee on Banking Supervision (the '**Basle Accord**') or in the international, European or Netherlands regulations, rules and instructions (which includes the solvency regulation on securitisation of the Dutch Central Bank) (the '**Bank Regulations**') applicable to the Seller (including any change in the Bank Regulations enacted for purposes of implementing a change to the Basle Accord) or a change in the manner in which the Basle Accord or such Bank Regulations are interpreted or applied by the Basle 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 the Seller, has the effect of adversely affecting the rate of return on capital of the Seller or increasing the cost or reducing or negating the benefit to the Seller with respect to the transaction contemplated by the Notes.

If the Regulatory Call Option is exercised, the Seller or any third party appointed by the Seller (in its sole discretion) shall repurchase and accept re-assignment of a Receivable (including any Defaulted Receivables) for a price at least equal to the Outstanding Principal Amount of such Receivable together with any accrued interest up to but excluding the date of repurchase and re-assignment of the relevant Receivable and any costs incurred by the Issuer in effecting and completing such repurchase and reassignment.

Clean-Up Call Option

On each Quarterly Payment Date the Seller has the option, but not the obligation, to exercise the Clean-Up Call Option. The Issuer has undertaken in the Receivables Purchase Agreement to sell and assign the Receivables to the Seller or to any third party appointed by the Seller in its sole discretion in case of the exercise of the Clean-Up Call Option.

The purchase price of the Receivables (other than Defaulted Receivables) will be the aggregate Outstanding Principal Amount in respect of the Receivables (other than Defaulted Receivables) together with any accrued interest up to but excluding the date of repurchase and re-assignment of the relevant Receivables and any costs incurred by the Issuer in effecting and completing such sale and re-assignment.

The purchase price of the Defaulted Receivables will consist of an initial purchase price and a deferred purchase price. The initial purchase price, which will be paid on the date of repurchase and re-assignment of the Defaulted Receivables, will be equal to the sum of (i) the Market Value and (ii) any costs incurred by the Issuer in effecting and completing such sale and re-assignment. The deferred purchase price will be paid in four instalments on each subsequent Quarterly Payment Date. The amount of each of the first three instalments will be equal to the positive difference between (i) the total amount the Seller has received or recovered in respect of the Defaulted Receivables and (ii) the (part of the) purchase price already paid to the Issuer in respect of the Defaulted Receivables. The fourth and last deferred purchase price instalment will be equal to the positive difference between (i) the Final Market Value and (ii) the (part of the) purchase price already paid to the Issuer in respect of the Defaulted Receivables.

Optional Redemption

If the Issuer exercises its right to redeem the Notes on any Optional Redemption Date, it has the right to sell the Receivables. The Issuer shall first offer such Receivables for sale to the Seller. The Seller shall within a period of 15 business days inform the Issuer whether it wishes to repurchase the Receivables. After such 15 business day period, the Issuer may offer such Receivables for sale to any third party. The purchase price of such Receivables will be calculated in the same manner as described in *Clean-Up Call Option* above.

Redemption for tax reasons

If the Issuer exercises its option to redeem the Notes for tax reasons in accordance with Condition 6(d), the Issuer has undertaken in the Receivables Purchase Agreement to first offer the Receivables for sale to the Seller. The Seller shall within a period of 15 business days inform the Issuer whether it wishes to repurchase the Receivables. After such 15 business day period, the Issuer may offer the Receivables for sale to any third party.

The Issuer may not dispose of the Receivables, except to comply with its obligations under the Notes in certain circumstances and as further provided in the Trust Deed (see also above). If the Issuer decides to offer for sale (part of) the Receivables it will first offer such Receivables to the Seller.

Notification Events

If, *inter alia*:

- (a) a default is made by the Seller in the payment on the due date of any amount due and payable by it under the Receivables Purchase Agreement or under any Relevant 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 Seller; or
- (b) the Seller fails duly to perform or comply with any of its obligations under the Receivables Purchase Agreement or under any Relevant Document to which it is a party and, if such failure is capable of being remedied, such failure is not remedied within 10 business days after having knowledge of such failure or notice thereof has been given by the Issuer or the Security Trustee to the Seller; or
- (c) any representation, warranty or statement made or deemed to be made by the Seller in the Receivables Purchase Agreement, other than those relating to the Loans and the Receivables (which the Seller consequently repurchases), or under any of the Relevant Documents to which the Seller is a party or in any notice or other document, certificate or statement delivered by it pursuant thereto proves to have been, and continues to be after the expiration of any applicable grace period, untrue or incorrect in any material respect; or
- (d) at any time it becomes unlawful for the Seller to perform all or a material part of its obligations hereunder or under any Relevant Document to which it is a party; or
- (e) the Seller 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 the Receivables Purchase Agreement and/or any of the Relevant Documents;
- (f) the Seller takes any corporate action or other steps are taken or legal proceedings are started or threatened against it for its dissolution ("*ontbinding*") and liquidation ("*vereffening*") or legal demerger ("*juridische splitsing*") involving a material part of the Seller's assets; or
- (g) the Seller has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for its entering into emergency regulations ("*noodregeling*") as referred to in Article 3:160 of the Act on Financial Supervision 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

- (h) the credit rating of the Seller's long-term unsecured, unsubordinated and unguaranteed debt obligations by Moody's falls below Baa1 or below by BBB+ Fitch or below BBB+ by S&P or any such rating is withdrawn;

then at any time thereafter, the Seller shall, unless the Security Trustee instructs the Seller otherwise, within a period of thirty (30) days, except in the occurrence of the events mentioned under (f) and (g) where no remedy possibility applies, notify the Borrowers, any other relevant parties indicated by the Issuer and/or the Security Trustee of the assignment of the Receivables or, at its option, the Issuer shall be entitled to make such notifications itself.

Set-off by Borrowers

The Receivables Purchase Agreement provides that if a Borrower evokes a right of set-off for amounts due to it by the Seller against the relevant Receivable and, as a consequence thereof, the Issuer and/or Security Trustee does not receive in any Monthly Calculation Period the amount which it is entitled to receive in respect of such Receivable, the Seller will pay as soon as possible, but in any event ultimately on the Monthly Payment Date immediately succeeding such Monthly Calculation Period to the Issuer and/or Security Trustee an amount equal to the difference between the amount which the Issuer would have received in respect of the relevant Receivable if no set-off had taken place and the amount actually received by the Issuer and/or Security Trustee in respect of such Receivable. To further secure the obligations of the Seller in this respect, the Seller will have an obligation to provide the Trigger Collateral to the Issuer and the Security Trustee respectively up to the Trigger Collateral Required Amount (see *Credit Structure* above).

Jointly-held Security Interests

In the Receivables Purchase Agreement the Seller, the Issuer and/or the Security Trustee (as applicable) have agreed that the Issuer and/or the Security Trustee (as applicable) will manage and administer any jointly-held Security Interests. Furthermore, the Seller, the Issuer and/or the Security Trustee (as applicable) have agreed that in case of foreclosure the shares ("*aandelen*") in each jointly-held Security Interest, will be the Issuer Share for the Issuer and the Seller Share for the Seller. Moreover, it is agreed in the Receivables Purchase Agreement that in case of a breach by the Seller of its obligations under these agreements or if any of such agreement is dissolved, void, nullified or ineffective for any reason in respect of the Seller, the Seller shall compensate the Issuer and/or the Security Trustee (as applicable) for any and all loss, cost, claim, damage and expense whatsoever which the Issuer and/or the Security Trustee (as applicable) incurs as a result thereof during any Monthly Calculation Period. Such compensation will be paid by the Seller as soon as possible, but in any event ultimately on the Monthly Payment Date immediately succeeding such Monthly Calculation Period (see also *Risk Factors* above).

ADMINISTRATION AGREEMENT

Services

In the Administration Agreement (a) the Pool Servicer will agree to (i) provide administration services in relation to the Loans and the Receivables, including, without limitation, the collection of payments of principal, interest and all other amounts in respect of the Receivables and the direction of amounts received by the Seller to the GIC Account and the production of monthly reports in relation thereto, and (ii) implement arrears procedures including, if applicable, the enforcement of security rights (see *Loan Underwriting and Servicing* above) in respect of any Defaulted Receivables and (b) the Issuer Administrator will agree to provide certain administration, calculation and cash management services to, including (i) all payments to be made by the Issuer under the Swap Agreement and under the other Relevant Documents, (ii) drawings (if any) to be made by the Issuer from the Reserve Account and all payments to be made by the Issuer under the Notes in accordance with the Conditions, (iii) maintaining of required ledgers in connection with the above, (iv) performing all calculations required to be made in respect of the Notes pursuant to the Conditions and (v) preparing quarterly investor reports. The quarterly investor reports to be prepared by the Pool Servicer shall in relation to Defaulted Receivables contain the Defaulted Receivables that have been handed over to the Seller's department involved in the recovery process (currently being Solveon or the Recovery Department of FR&R). The Issuer Administrator and the Pool Servicer will provide the Swap Counterparty with all information necessary in order to perform its role as calculation agent under the Swap Agreement.

The Pool Servicer, which as a licensed bank holds a license under the Act on Financial Supervision by operation of law, will be obliged to administer the Loans and the Receivables with the same level of skill, care and diligence as it administers loans in its own or, as the case may be, the Seller's portfolio.

Each of the Pool Servicer and the Issuer Administrator may subcontract its obligations subject to and in accordance with the Administration Agreement (without the consent of the Issuer and the Security Trustee or the approval of the Rating Agencies or any other party). Any such subcontracting will not relieve the Pool Servicer and/or the Issuer Administrator from its responsibility to perform its obligations under the Administration Agreement, although in the case of subcontracting, such services will be performed by a sub-agent.

Termination

The appointment of the Pool Servicer and/or the Issuer Administrator under the Administration Agreement may be terminated by the Security Trustee or the Issuer (with the consent of the Security Trustee) in certain circumstances, including (a) default by the Pool Servicer and/or the Issuer Administrator in the payment on the due date of any payment due and payable by it under the Administration Agreement which is not remedied within the required period, (b) default by the Pool Servicer and/or the Issuer Administrator in the performance or observance of any of its covenants and obligations under the Administration Agreement, (c) the Pool Servicer and/or the Issuer Administrator has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for its entering into emergency regulations ("*noodregeling*") as referred to in Article 3:160 of the Act on Financial Supervision ("*Wet op het Financieel Toezicht*") or any successor act or for any analogous insolvency proceedings under any applicable law or for bankruptcy ("*faillissement*") or for the appointment of a receiver or a similar officer of its or any or all of its assets, (d) the Pool Servicer and/or the Issuer Administrator takes any corporate action or other steps are taken or legal proceedings are started or threatened against it for its dissolution ("*ontbinding*") and liquidation ("*vereffening*"), (e) at any time it becomes unlawful for the Pool Servicer and/or the Issuer Administrator to perform all or a material part of its obligations hereunder or (f) in respect of the Pool Servicer only, the Pool Servicer ceases to hold a licence under the Act on Financial Supervision.

After termination of the appointment of the Pool Servicer and/or the Issuer Administrator under the Administration Agreement, the Security Trustee and the Issuer shall use their best efforts to appoint a substitute pool servicer and/or issuer administrator and such substitute pool servicer and/or issuer administrator shall enter into an agreement with the Issuer and the Security Trustee substantially on the terms of the Administration Agreement, provided that such substitute pool servicer and/or issuer administrator shall have the benefit of a fee at a level to be then determined. Any such substitute pool servicer is obliged to (i) have experience of administering loans such as the Loans granted to borrowers such as the Borrowers in the Netherlands and (ii) hold a licence under the Act on Financial Supervision or

any successor act. The Issuer shall, promptly following the execution of such agreement, pledge its interest in such agreement in favour of the Security Trustee on materially the same terms as the Trustee Assets Pledge Agreement to the satisfaction of the Security Trustee.

The appointment of the Pool Servicer and/or the Issuer Administrator under the Administration Agreement may be terminated by the Pool Servicer and/or the Issuer Administrator, respectively, upon the expiry of not less than 12 months' notice of termination given by the Pool Servicer and/or the Issuer Administrator to each of the Issuer and the Security Trustee provided that – *inter alia* – (a) the Security Trustee consents in writing to such termination and (b) a substitute pool servicer and/or issuer administrator shall be appointed, such appointment to be effective not later than the date of termination of the Administration Agreement and the Pool Servicer and/or the Issuer Administrator shall not be released from its obligations under the Administration Agreement until such substitute pool servicer and/or issuer administrator has entered into such new agreement.

SMILE SECURITISATION COMPANY 2007 B.V.

SMILE Securitisation Company 2007 B.V. (the '**Issuer**') was incorporated as a private company with limited liability under the laws of the Netherlands on 12 January 2007 under number B.V. 1411873. The corporate seat ("*statutaire zetel*") of the Issuer is in Amsterdam, the Netherlands. 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 34264642.

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 issues 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, *inter alia*, by entering into derivative agreements, such as swaps and options, (e) if incidental to the foregoing, to take up loans, *inter alia*, to repay the principal sum of the securities mentioned under (b), and to grant security rights and (f) to perform all activities which are incidental to or which may be conducive to any of the foregoing.

The Issuer has an authorised share capital of Euro 90,000, of which Euro 18,000 has been issued and is fully paid. All shares of the Issuer are held by Stichting Holding SMILE Securitisation 2007.

Stichting Holding SMILE Securitisation 2007 is a foundation ("*stichting*") incorporated under the laws of the Netherlands on 2 November 2006. The objects of Stichting Holding SMILE Securitisation 2007 are, *inter alia*, to incorporate, acquire and to hold shares in the share capital of the Issuer and comparable companies and to exercise all rights attached to such shares and to dispose of and encumber such shares. The sole managing director of Stichting Holding SMILE Securitisation 2007 is ATC Management B.V.

Statement by managing director of the Issuer

Since its incorporation the Issuer operates under the laws of the Netherlands and 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, (ii) been involved in any governmental, legal, arbitration or administrative proceedings which may have a significant effect on the Issuer's financial position or profitability nor, so far as the Issuer is aware, are any such proceedings pending or threatened against the Issuer and (iii) prepared any financial statements.

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

The sole managing director of the Issuer is ATC Management B.V. The managing directors of ATC Management B.V. are J.H. Scholts, G.F.X.M. Nieuwenhuizen, A.G.M. Nagelmaker and J. Lont. 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 Amsterdam Trust Corporation 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 and the Shareholder respectively has entered into a management agreement with the entity of which it has been appointed managing director ("*statutair directeur*"). In these management agreements each of the Directors agrees and undertakes to, *inter alia*, (i) do all that an adequate managing director ("*statutair directeur*") should do or should refrain from doing, and (ii) refrain from taking any action detrimental to the obligations under any of the Relevant Documents or the then current ratings assigned to the Rated Notes outstanding. In addition each of the Directors agrees in the relevant management agreement that it will not enter into any agreement in relation to the Issuer other than the Relevant Documents to which it is a party, without the prior written consent of the Security Trustee.

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

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

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	Euro	90,000
Issued Share Capital	Euro	18,000

Borrowings

Senior Class A Notes	Euro	4,563,564,000
Mezzanine Class B Notes	Euro	98,141,000
Mezzanine Class C Notes	Euro	73,606,000
Junior Class D Notes	Euro	73,606,000
Subordinated Class E Notes	Euro	83,420,000
Subordinated Class F Notes	Euro	14,721,000

AUDITOR'S CONFIRMATION

Auditors' Confirmation

The following is the text of a confirmation received by the Board of Managing Directors of the Issuer from Ernst & Young Accountants, the auditors to the Issuer:

"To the Directors of SMILE Securitisation Company 2007 B.V.

Dear Sirs,

SMILE Securitisation Company 2007 B.V. (the 'Issuer') was incorporated on 12 January 2007 and registered with the Chamber of Commerce on 16 January 2007 under number 34259288.

The Issuer has not yet prepared any financial statements. Since its establishment, the Issuer has not conducted any activities, no profits or losses have been made or incurred and the Issuer has not made any distributions, save for activities related to its establishment and the securitisation transaction and the issue of the Notes included in the Prospectus to be dated 22, February 2007.

Amsterdam, 22 February 2007
Ernst & Young Accountants

ESTIMATED WEIGHTED AVERAGE LIVES OF THE NOTES AND ASSUMPTIONS

Estimated weighted average life refers to the average amount of time that will elapse from the date of issuance of a note to the date of distribution to the investor of amounts distributed in reduction of principal of such note (assuming no losses). The estimated weighted average lives of the Notes will be influenced by, among other things, the rate at which the Outstanding Principal Amount in respect of the Receivables is paid which may be in the form of scheduled amortisation, prepayments, or enforcement proceeds. The estimated weighted average lives of the Notes used in this Prospectus assumes a constant per annum rate of prepayment ("**CPR**") for each month relative to the then outstanding principal balance of a pool of SME loans. CPR does not purport to be either an historical description of the prepayment experience of any pool of SME loans or a prediction of the expected rate of prepayment of any SME loans, including the Loans to be included in the Final Portfolio.

The following table has been prepared on the basis of certain assumptions as described below regarding the characteristics of the Loans and the performance thereof. The table assumes, among other things, that:

- (a) the Seller does not repurchase any Receivables;
- (b) there are no delinquencies or Realised Losses in respect of any Receivable;
- (c) there is no debit balance on any Principal Deficiency Ledger;
- (d) no Receivable is sold by the Issuer;
- (e) principal repayments on the Notes will be made on each Quarterly Payment Date;
- (f) where reference is made to "WAL (yrs) to Clean-up Call" the Notes are redeemed at their Principal Amount Outstanding on the Quarterly Payment Date following the Quarterly Payment Date on which the aggregate Outstanding Principal Outstanding of the Receivables is not more than 10 per cent. of the sum of the aggregate Principal Outstanding Amount in respect of the Receivables on the Sale Date;
- (g) the Final Portfolio is sold and assigned to the Issuer and the Notes are issued on 26 February 2007.

The actual characteristics and performance of the Loans will differ from the assumptions used in constructing the table set forth below. The table is hypothetical in nature and are provided only to give a general sense of how the principal cash flows might behave under varying prepayment scenarios. For example, it is not expected that the Loans will prepay at a constant rate until maturity, that all of the Loans will prepay at the same rate or that there will be no delinquencies or losses on the Loans. Moreover, the diverse remaining terms to maturity of the Loans could produce slower or faster principal distributions than indicated in the table at the various percentages of CPR specified, even if the weighted average remaining term to maturity of the Loans is as assumed. Any difference between such assumptions and the actual characteristics and performance of the Loans, or actual prepayment or loss experience, will affect the percentages of the initial amount outstanding over time and the weighted average lives of the Notes. The estimated weighted average lives shown below were determined by (a) multiplying the net reduction, if any, of the Principal Amount Outstanding of each Class of Notes by the number of years from the date of issuance of the Notes to the related Quarterly Payment Date, (b) adding the results and (c) dividing the sum by the aggregate of the net reductions of the Principal Amount Outstanding described in (a) above.

Subject to the foregoing discussion and assumptions, the following table indicates the estimated weighted average life of each Class of Notes and the percentages of the initial Principal Amount Outstanding of each such Class of Notes after each year from the Closing Date up to the first Optional Redemption Date under the CPR assumptions shown below.

Table: Percentage of initial Principal Amount Outstanding of the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes, the Subordinated Class E Notes and the Subordinated Class F Notes at the specified CPR Percentages

WAL (Years) to Step Up Call Date	CPR						
	0%	6%	8%	10%	12%	14%	16%
Class A	5,6	4,5	4,2	3,9	3,6	3,4	3,2
Class B	5,6	5,5	5,5	5,5	5,5	5,5	5,5
Class C	5,6	5,5	5,5	5,5	5,5	5,5	5,5
Class D	5,6	5,5	5,5	5,5	5,5	5,5	5,5
Class E	5,6	5,5	5,5	5,5	5,5	5,5	5,5
Class F	5,6	5,5	5,5	5,5	5,5	5,5	5,5

Estimated Weighted Average Life Calculations

The calculations in respect of the estimated weighted average lives of the Notes set out in this Prospectus is derived from information provided by the Seller. Other than the calculations relating to the estimated weighted average lives of the Notes indicated in the table above of the section *Estimated Weighted Average Lives of the Notes and Assumptions*, which has been audited by external auditors, any information concerning the estimated weighted average lives of the Notes has not been audited by the Issuer, the Arranger, the Seller or any other independent source.

USE OF PROCEEDS

The proceeds of the issue of the Notes will be Euro 4,907,058,000 and will be applied by the Issuer on the Closing Date to pay the Initial Purchase Price for the Receivables.

DESCRIPTION OF SECURITY

In the Parallel Debt Agreement the Issuer will irrevocably and unconditionally undertake to pay to the Security Trustee amounts equal to the aggregate amount due ("*verschuldigd*") by the Issuer:

- (i) to the Noteholders under the Notes;
- (ii) as fees or other remuneration to the Directors under the Management Agreements;
- (iii) as fees and expenses to the Issuer Administrator and the Pool Servicer 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 Seller under the Receivables Purchase Agreement; and
- (vi) to the Swap Counterparty under the Swap Agreement (the '**Parallel Debt**');

The parties referred to in item (i) through (vi) together the '**Secured Parties**'. The Parallel Debt constitutes a separate and independent obligation of the Issuer and constitutes the Security Trustee's own separate and independent claims ("*eigen en zelfstandige vordering*") to receive payment of the Parallel Debt from the Issuer. Upon receipt by the Security Trustee of any amount in payment of the Parallel Debt, the payment obligations of the Issuer to the Secured Parties shall be reduced by an amount equal to the amount so received.

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

On the Closing Date, the Issuer will grant a first ranking right of pledge ("*pandrecht*") under a receivables pledge agreement between the Issuer and the Security Trustee (the '**Trustee Receivables Pledge Agreement**') over the Receivables to the Security Trustee. The pledge on the Receivables will not be notified to the Borrowers, except in case certain notification events occur, which are events similar to the Notification Events but relating to the Issuer (each a the '**Trustee Notification Events**'). Prior to notification of the pledge to the Borrowers, the pledge will be a "silent" right of pledge ("*stil pandrecht*") within the meaning of section 3:239 of the Netherlands Civil Code.

On the Closing Date, the Issuer will also vest rights of pledge in favour of the Security Trustee under an assets pledge agreement between the Issuer and the Security Trustee (the '**Trustee Assets Pledge Agreement**' and together with the Trustee Receivables Pledge Agreement, the '**Pledge Agreements**') on all rights of the Issuer (a) under or in connection with (i) the Receivables Purchase Agreement, (ii) the Administration Agreement, (iii) the Floating Rate GIC and (iv) the Swap Agreement and (b) in respect of the Transaction Accounts. The 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 Trustee Notification Events.

Upon the occurrence of a Trustee Notification Event and, consequently notification to the Borrowers and withdrawal of the power to collect, the Security Trustee will collect ("*innen*") all amounts due to the Issuer whether by Borrowers or parties to the Relevant Documents. Pursuant to the Trust Deed the Security Trustee will, until the delivery of an Enforcement Notice, (i) apply such amounts in accordance with the Interest Priority of Payments and the Principal Priority of Payments or (ii) for the sole purpose of enabling the Issuer to make payments in accordance with the relevant Priority of Payments, pay or procure the payment to the Issuer, whilst for that sole purpose terminating ("*opzeggen*") its right of pledge.

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

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

THE SECURITY TRUSTEE

Stichting Security Trustee SMILE Securitisation 2007 (the '**Security Trustee**') is a foundation ("*stichting*") incorporated under the laws of the Netherlands on 11 January 2007. The statutory seat of the Security Trustee is in Amsterdam and its registered office is at Herengracht 420, 1017 BZ Amsterdam, the Netherlands.

The objects of the Security Trustee are (a) to act as agent and/or trustee of the Noteholders and any other creditor of the Issuer under the Relevant Documents; (b) to acquire, keep 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, *inter alia*, the Issuer, which are 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 Security Trustee will only act as trustee in connection with the Receivables.

The Security Trustee may, without the consent of the Noteholders and the other Secured Parties, agree to any modification of any of the provisions of the Relevant Documents which is of a formal, minor or technical nature or is made to correct a manifest error. In addition, the Security Trustee may, without the consent of the Noteholders and the other Secured Parties, (a) give its consent as provided for in the Relevant Documents or (b) agree to any other modification (except if prohibited in the Relevant Documents), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Relevant Documents which is in the opinion of the Security Trustee not materially prejudicial to the interests of the Noteholders, provided that, in respect of the Rated Notes, (i) the Security Trustee has notified the Rating Agencies, (ii) Fitch and S&P have confirmed that the then current ratings assigned to the Rated Notes will not be adversely affected by any such consent, modification, authorisation or waiver and (iii) the Security Trustee, in its reasonable opinion, does not expect that the then current ratings assigned to the Rated Notes by Moody's will be adversely affected by any such consent, modification, authorisation or waiver. See further *Terms and Conditions of the Notes*.

The sole director of the Security Trustee is N.V. Algemeen Nederlands Trustkantoor ANT, having its registered office at:

Until 20 April 2007: Herengracht 420, 1017 BZ Amsterdam, the Netherlands; and
From 20 April 2007: Claude Debussylaan 24, 1082 MD Amsterdam, the Netherlands.

TERMS AND CONDITIONS OF THE NOTES

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

The issue of the Euro 4,563,564,000 Senior Class A Asset-Backed Notes due 2053 (the '**Senior Class A Notes**'), the Euro 98,141,000 Mezzanine Class B Asset-Backed Notes due 2053 (the '**Mezzanine Class B Notes**'), the Euro 73,606,000 Mezzanine Class C Asset-Backed Notes due 2053 (the '**Mezzanine Class C Notes**'), the Euro 73,606,000 Junior Class D Asset-Backed Notes due 2053 (the '**Junior Class D Notes**'), the Euro 83,420,000 Subordinated Class E Asset-Backed Notes due 2053 (the '**Subordinated Class E Notes**'), and together with the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes and the Junior Class D Notes, the '**Rated Notes**') and the Euro 14,721,000 Subordinated Class F Asset-Backed Notes due 2053 (the '**Subordinated Class F Notes**'), and together with the Rated Notes, the '**Notes**') was authorised by a resolution of the managing director of SMILE Securitisation Company 2007 B.V. (the '**Issuer**') passed on 16 February 2007. The Notes are issued under a trust deed dated 26 February 2007 (the '**Trust Deed**') between the Issuer, Stichting Holding SMILE Securitisation 2007 and Stichting Security Trustee SMILE Securitisation 2007 (the '**Security Trustee**').

The statements in the Conditions include summaries of, and are subject to, the detailed provisions of (i) the Trust Deed, which will include the priorities of payments, the form of the Notes and the interest coupons appertaining to the Notes (the '**Coupons**') and the forms of the Temporary Global Notes and the Permanent Global Notes, (ii) a paying agency agreement (the '**Paying Agency Agreement**') dated 26 February 2007 between the Issuer, the Security Trustee and ABN AMRO Bank N.V. as paying agent (the '**Paying Agent**') and as reference agent (the '**Reference Agent**'), (iii) an administration agreement (the '**Administration Agreement**') dated 26 February 2007 between, the Issuer, the Security Trustee and ABN AMRO Bank N.V. as pool servicer (the '**Pool Servicer**') and as issuer administrator (the '**Issuer Administrator**'), (iv) a parallel debt agreement (the '**Parallel Debt Agreement**') dated 26 February 2007 between the Issuer, the Security Trustee and the Secured Parties, (v) a pledge agreement (the '**Trustee Receivables Pledge Agreement**') dated 26 February 2007 between the Issuer and the Security Trustee and (vi) a pledge agreement (the '**Trustee Assets Pledge Agreement**') dated 26 February 2007 between the Issuer, the Security Trustee and others (jointly with the pledge agreement referred to under (v) above, the '**Pledge Agreements**').

Certain words and expressions used in these Conditions are defined in a master definitions agreement (the '**Master Definitions Agreement**') dated 22 February 2007 and signed by the Issuer, the Security Trustee, the Paying Agent 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. As used herein, '**Class**' means either the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes, the Subordinated Class E Notes or the Subordinated Class F Notes, as the case may be.

Copies of the Trust Deed, the Paying Agency Agreement, the Parallel Debt Agreement, the Pledge Agreements and the Master Definitions Agreement are available for inspection free of charge by holders of the Notes (the '**Noteholders**') at the specified office of the Paying Agent and the present office of the Security Trustee, being at the date hereof Herengracht 420, 1017 BZ Amsterdam, the Netherlands. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Paying Agency Agreement, the Parallel Debt Agreement, the Pledge Agreements and the Master Definitions Agreement and reference to any documents is considered to be a reference to such document as amended, supplemented, restated or otherwise modified from time to time.

1. Form, Denomination and Title

The Notes will be in bearer form serially numbered with Coupons attached on issue in denominations of Euro

50,000 each and additional increments of minimum Euro 1,000. Under Netherlands law, the valid transfer of Notes requires, *inter alia*, delivery ("*levering*") thereof. The Issuer, the Security Trustee and the Paying Agent may, to the fullest extent permitted by law, treat 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.

In relation to any issue of Notes which have a denomination consisting of the minimum denomination of euro 50,000 plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of euro 50,000 (or its equivalent) that are not multiples of euro 50,000 (or its equivalent). In such a case a Noteholder who, as a result of trading such Notes, holds a principal amount of less than the minimum denomination of euro 50,000, may not receive a Note in respect of such holding and would need to purchase a principal amount of Notes in order to hold an amount for at least the minimum denomination of euro 50,000.

2. Status, Relationship between the Notes and Security

- (a) The Notes of each Class are direct and unconditional obligations of the Issuer and rank *pari passu* and rateably without any preference or priority among Notes of the same Class;
- (b) Payments of interest and payments of principal, except for *pro rata* payments in accordance with the provisions of Condition 6(b)(A)(I) prior to the occurrence of the Cumulative Default Trigger Event, on (a) the Mezzanine Class B Notes are subordinated to, *inter alia*, payments of interest and payments of principal on the Senior Class A Notes; (b) the Mezzanine Class C Notes are subordinated to, *inter alia*, payments of interest and payments of principal on the Senior Class A Notes and the Mezzanine Class B Notes; (c) the Junior Class D Notes are subordinated to, *inter alia*, payments of interest and payments of principal on the Senior Class A Notes, the Mezzanine Class B Notes and the Mezzanine Class C Notes, (d) the Subordinated Class E Notes are subordinated to, *inter alia*, payments of interest and payments of principal on the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes and the Junior Class D Notes and (e) the Subordinated Class F Notes are subordinated to, *inter alia*, payments of interest and payments of principal on the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes and the Subordinated Class E Notes;
- (c) The security for the obligations of the Issuer towards the Noteholders (the 'Security') will be created pursuant to, and on the terms set out in, the Trust Deed, the Parallel Debt Agreement and the Pledge Agreements, which will create a first ranking pledge by the Issuer to the Security Trustee on (i) the Receivables and (ii) the Issuer's rights (a) against the Seller under or in connection with the Receivables Purchase Agreement; (b) against the Pool Servicer and the Issuer Administrator under or in connection with the Administration Agreement; (c) against the Swap Counterparty under or in connection with the Swap Agreement; (d) against the Floating Rate GIC Provider under or in respect of with the Floating Rate GIC, and (d) against the Floating Rate GIC Provider in respect of the Transaction Accounts.
- (d) The Notes will be secured (directly and/or indirectly) by the Security. In respect of the Security, the Senior Class A Notes will rank in priority to the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes, the Subordinated Class E Notes and the Subordinated Class F Notes; the Mezzanine Class B Notes will rank in priority to the Mezzanine Class C Notes, the Junior Class D Notes, the Subordinated Class E Notes and the Subordinated Class F Notes; the Mezzanine Class C Notes will rank in priority to the Junior Class D Notes, the Subordinated Class E Notes and the Subordinated Class F Notes; the Junior Class D Notes will rank in priority to the Subordinated Class E Notes and the Subordinated Class F Notes; and the Junior Class E Notes will rank in priority to the Subordinated Class F Notes.

The '**Most Senior Class of Notes**' means the Senior Class A Notes, or if there are no Senior Class A Notes

outstanding, the Mezzanine Class B Notes, or if there are no Mezzanine Class B Notes outstanding, the Mezzanine Class C Notes, or if there are no Mezzanine Class C Notes outstanding, the Junior Class D Notes, or if there are no Junior Class D Notes outstanding, the Subordinated Class E Notes, or if there are no Subordinated Class E Notes outstanding, the Subordinated Class F Notes.

The Trust Deed contains provisions requiring the Security Trustee to have regard to the interests of the holders of the Senior Class A Notes (the '**Senior Class A Noteholders**'), the holders of the Mezzanine Class B Notes (the '**Mezzanine Class B Noteholders**'), the holders of the Mezzanine Class C Notes (the '**Mezzanine Class C Noteholders**'), the holders of the Junior Class D Notes (the '**Junior Class D Noteholders**'), the holders of the Subordinated Class E Notes (the '**Subordinated Class E Noteholders**') and the holders of the Subordinated Class F Notes (the '**Subordinated Class F Noteholders**') 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 interests of the Most Senior Class of Noteholders. In addition, the Security Trustee shall have regard to the interests of the other Secured Parties, provided that in case of a conflict of interest between the Secured Parties the priority of payments upon enforcement set forth in the Trust Deed determines which interest of which Secured Party prevails.

3. Covenants of the Issuer

So long as any of the Notes remain outstanding, the Issuer shall carry out its business in accordance with proper and prudent Netherlands business practice and in accordance with the requirements of Netherlands law and accounting practice and shall not, except (i) to the extent permitted by the Receivables Purchase Agreement, the Administration Agreement, the Pledge Agreements, the Parallel Debt Agreement, the Swap Agreement, the Floating Rate GIC, the Notes Purchase Agreement, the Notes, the Paying Agency Agreement, the Management Agreements, the Deed of Assignment and the Trust Deed (and together with the Master Definitions Agreement, the '**Relevant 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 22 February 2007 relating to the issue of the Notes and as contemplated in the Relevant Documents;
- (b) incur any indebtedness in respect of borrowed money whatsoever, or give any guarantee or indemnity in respect of any indebtedness, except as contemplated by the Relevant Documents;
- (c) create or promise to create any mortgage, charge, pledge, lien or other security interest whatsoever over any of its assets, or use, invest, sell or transfer or otherwise dispose of any part of its assets, except as contemplated in the Relevant Documents;
- (d) consolidate or merge with any other person or convey or transfer its assets substantially or as an entirety to one or more persons;
- (e) permit the validity or effectiveness of the Parallel Debt Agreement and the Pledge Agreements or the priority of the security created thereby or pursuant thereto to be amended, terminated, postponed or discharged, or permit any person whose obligations form part of such security rights to be released from such obligations or consent to any waiver except as contemplated in the Relevant Documents;
- (f) have any employees or premises or have any subsidiary or subsidiary undertaking;
- (g) have an interest in any bank account other than the Transaction Accounts or an account to which collateral under the Swap Agreement is transferred, unless all rights in relation to such account have been pledged to the Security Trustee as provided in Condition 2(c)(ii); or
- (h) file a petition for its suspension of payments ("*surséance van betaling*") or for its bankruptcy ("*faillissement*").

4. Interest

(a) *Period of Accrual*

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

(b) *Interest Periods and Quarterly Payment Dates*

Interest on the Notes shall be payable by reference to each successive Interest Period. Each successive Interest Period will commence on (and include) a relevant Quarterly Payment Date and end on (but exclude) the next succeeding relevant Quarterly Payment Date, except for the first Interest Period, which will commence on (and include) the Closing Date and end on (but exclude) the Quarterly Payment Date falling in June 2007.

Interest on each of the Notes will be payable quarterly in arrear in Euros, in respect of the Principal Amount Outstanding of each Class of Notes on the 20th day of June, September, December and March, or if such day is not a Business Day, the next succeeding Business Day, unless such Business Day falls in the next succeeding calendar month in which event the Business Day immediately preceding such day, in each year (each such day being a '**Quarterly Payment Date**').

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

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

Interest on the Notes for each Interest Period will accrue at an annual rate equal to the sum of the Euro Interbank Offered Rate ('**Euribor**') for three months deposits (or, in respect of the first Interest Period, the rate which represents the linear interpolation of Euribor for three and four months deposits in Euro, rounded, if necessary, to the 5th decimal place with 0.000005, being rounded upwards) plus, up to (but excluding) the first Optional Redemption Date:

- (i) for the Senior Class A Notes, a margin of 0.09 per cent. per annum;
- (ii) for the Mezzanine Class B Notes, a margin of 0.15 per cent. per annum;
- (iii) for the Mezzanine Class C Notes, a margin of 0.25 per cent. per annum;
- (iv) for the Junior Class D Notes, a margin of 0.53 per cent. per annum;
- (v) for the Subordinated Class E Notes, a margin of 2.50 per cent. per annum; and
- (vi) for the Subordinated Class F Notes, a margin of 10.00 per cent. per annum.

(d) *Interest on the Notes following the first Optional Redemption Date*

If on the first Optional Redemption Date any Class of Notes have not been redeemed in full, a floating rate of interest will be applicable to each Class of Notes equal to the sum of Euribor for three months deposits, payable by reference to Interest Periods on each succeeding Quarterly Payment Date until the Quarterly Payment Date on which the Issuer redeems the Notes in accordance with Condition 6(c), plus:

- (i) for the Senior Class A Notes, a margin of 0.09 per cent. per annum;

- (ii) for the Mezzanine Class B Notes, a margin of 0.225 per cent. per annum;
- (iii) for the Mezzanine Class C Notes, a margin of 0.375 per cent. per annum;
- (iv) for the Junior Class D Notes, a margin of 0.795 per cent. per annum;
- (v) for the Subordinated Class E Notes, a margin of 3.75 per cent. per annum; and
- (vi) for the Subordinated Class F Notes, a margin of 15.00 per cent. per annum.

From (and including) the Optional Redemption Date on which the Issuer redeems the Notes in accordance with Condition 6(c), no interest will accrue and will be due on each Class of Notes.

The rates of interest set forth in Conditions 4(c) and 4(d) are hereinafter referred to as the '**Rates of Interest**'.

(e) *Euribor*

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

- (i) The Reference Agent will obtain for each Interest Period the rate equal to the amount of Euribor for three months 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 Page (or, if not available, any other display page on any screen service maintained by any registered information vendor (including, without limitation, the Reuter Monitor Money Rate Service, the Dow Jones Telerate Service and the Bloomberg Service) for the display of the Euribor rate selected by the Reference Agent) as at or about 11.00 a.m. (Central European time) on the day that is two Business Days preceding the first day of each Interest Period (each an '**Interest Determination Date**');
- (ii) If, on the relevant Interest Determination Date, such Euribor rate is not determined and published jointly by the European Banking Association and ACI - The Financial Market Association, or if it is not otherwise reasonably practicable to calculate the rate under (i) above, the Reference Agent will:
 - (A) request the principal Euro-zone office of each of four major banks in the Euro-zone interbank market (the '**Reference Banks**') to provide a quotation for the rate at which three months Euro deposits are offered by it in the Euro-zone interbank market at approximately 11.00 a.m. (Central European time) on the relevant Interest Determination Date to prime banks in the Euro-zone interbank market in an amount that is representative for a single transaction at that time; and determine the arithmetic mean (rounded, if necessary, to the fifth decimal place with 0.000005 being rounded upwards) of such quotation as is provided; and
 - (B) if fewer than two such quotations are provided as requested, the Reference Agent will determine the arithmetic mean (rounded, if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the rates quoted by major banks, of which there shall be at least two in number, in the Euro-zone, selected by the Reference Agent, at approximately 11.00 a.m. (Central European time) on the relevant Interest Determination Date for three months deposits to leading Euro-zone banks in an amount that is representative for a single transaction in that market at that time,

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

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

The Reference Agent will, as soon as practicable after 11.00 a.m. (Central European Time) on each Interest Determination Date, determine the Rates of Interest for each Class of Notes and calculate the amount of

interest payable on each relevant Class of Notes for the following Interest Period (the '**Interest Amount**') by applying the relevant Rates of Interest to the Principal Amount Outstanding of each Class of Notes respectively on the first day of such Interest Period. The determination of the relevant Rates of Interest 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 Rates of Interest and Interest Amounts*

The Reference Agent will cause the relevant Quarterly Payment Date, the relevant Rates of Interest and the relevant Interest Amounts to be notified to the Issuer, the Security Trustee, the Paying Agent, the Issuer Administrator and to the holders of such Class of Notes by an advertisement in the English language in the Euronext Daily Official List ("*Officiële Prijscourant*") of Euronext Amsterdam N.V. for as long as the Notes are listed on Eurolist by Euronext Amsterdam, as soon as possible after the determination. The Interest Amount, the Rate of Interest and the Quarterly Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period.

(h) *Determination or Calculation by Security Trustee*

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

(i) *Reference Banks and Reference Agent*

The Issuer will procure that, as long as any of the Notes remains outstanding, there will at all times be four Reference Banks and a Reference Agent. The Issuer has, subject to prior written consent of the Security Trustee, the right to terminate the appointment of the Reference Agent or of any Reference Bank by giving at least 90 days' notice in writing to that effect. Notice of any such termination will be given to the holders of the relevant Class of Notes in accordance with Condition 13. If any person shall be unable or unwilling to continue to act as a Reference Bank or the Reference Agent (as the case may be) or if the appointment of any Reference Bank or the Reference Agent shall be terminated, the Issuer will, with the prior written consent of the Security Trustee, appoint a successor Reference Bank or Reference Agent (as the case may be) to act in its place, provided that neither the resignation nor removal of the Reference Agent shall take effect until a successor approved in writing by the Security Trustee has been appointed.

5. Payment

- (a) Payment of principal and interest in respect of Notes will be made upon presentation of the Note in and against surrender of the relevant Coupon appertaining thereto, at any specified office of the Paying Agent in cash or by transfer to an Euro account maintained by the payee with a bank in the Netherlands, as the holder may specify. All such payments are subject to any fiscal or other laws and regulations applicable in the place of payment.
- (b) At the Final Maturity Date (as defined in Condition 6), or such earlier date the Notes become due and payable, the Notes should be presented for payment together with all unmatured Coupons appertaining thereto, failing which the full amount of any such missing unmatured Coupons (or, in the case of payment not being made in full, that proportion of the full amount of such missing unmatured Coupons which the sum of principal so paid bears to the total amount of principal due) will be deducted from the sum due for payment. Each amount so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon at any time before the expiry of five years following the due date for payment of such principal (whether or not such Coupons would have become unenforceable pursuant to Condition 8).
- (c) If the relevant Quarterly Payment Date is not a day on which banks are open for business in the place of presentation of the relevant Note or Coupon, the holder thereof shall not be entitled to payment until the next

Business Day following such day, or to any interest or other payment in respect of such delay, provided that in the case of payment by transfer to an Euro account as referred to above, the Paying Agent shall not be obliged to credit such account until the day on which banks in the place of such account are open for business immediately following the day on which banks are open for business in the Netherlands. The name of the Paying Agent and of its offices are set out below.

- (d) The Issuer reserves the right at any time to vary or terminate the appointment of the Paying Agent and to appoint additional or other paying agents provided that no paying agent located in the United States of America will be appointed. The Issuer will at all times maintain a paying agent having a specified office in the European Union which, for as long as the Notes are listed on Eurolist by Euronext Amsterdam, will be located in the Netherlands. Notice of any termination or appointment of a Paying Agent and of any changes in the specified offices of the Paying Agent will be given to the Noteholders in accordance with Condition 13.

6. Redemption and purchase

(a) *Final redemption*

Unless previously redeemed as provided below, on the Quarterly Payment Date falling in December 2053 (the '**Final Maturity Date**') the Issuer will redeem the Notes at their Principal Amount Outstanding, but in respect of the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes, the Subordinated Class E Notes and the Subordinated Class F Notes subject to Condition 9(b).

(b) *Mandatory redemption of the Notes*

Provided that no Enforcement Notice has been served in accordance with Condition 10, the Issuer shall be obliged to apply the Notes Redemption Available Amount (as defined in Condition 6(f)) to redeem (or partially redeem) on each Quarterly Payment Date the Notes in accordance with this Condition.

A. prior to the occurrence of the Cumulative Default Trigger Event:

(I) Pro-rata Redemption of the Notes

On the Quarterly Payment Date falling in June 2007 and each Quarterly Payment Date thereafter the Issuer shall be obliged to apply the Pro-rata Redemption Available Amount (as defined in Condition 6(f)) to redeem (or partially redeem) the Notes at their Principal Amount Outstanding on a *pro rata* basis as follows:

- (i) *first*, the Senior Class A Notes by applying the Senior Class A Pro-rata Redemption Amount as defined in Condition 6 (f);
- (ii) *second*, the Mezzanine Class B Notes by applying the Mezzanine Class B Pro-rata Redemption Amount as defined in Condition 6 (f);
- (iii) *third*, the Mezzanine Class C Notes by applying the Mezzanine Class C Pro-rata Redemption Amount as defined in Condition 6 (f);
- (iv) *fourth*, the Junior Class D Notes by applying the Junior Class D Pro-rata Redemption Amount as defined in Condition 6 (f);
- (v) *fifth*, the Subordinated Class E Notes by applying the Subordinated Class E Pro-rata Redemption Amount as defined in Condition 6 (f); and
- (vi) *sixth*, the Subordinated Class F Notes by applying the Subordinated Class F Pro-rata Redemption Amount as defined in Condition 6 (f);

(II) Sequential Redemption of the Notes

On the Quarterly Payment Date falling in June 2007 and each Quarterly Payment Date thereafter the Issuer shall be obliged to apply the Sequential Redemption Available Amount (as defined in Condition 6(f)) to redeem (or partially redeem) all (but not some only) of the Notes of each Class at their respective Principal Amount Outstanding on a *pro rata* basis among the Notes of a Class in the following order:

- (i) *firstly*, the Senior Class A Notes until fully redeemed;

- (ii) *secondly*, the Mezzanine Class B Notes until fully redeemed;
- (iii) *thirdly*, the Mezzanine Class C Notes until fully redeemed;
- (iv) *fourthly*, the Junior Class D Notes until fully redeemed;
- (v) *fifthly*, the Subordinated Class E Notes until fully redeemed; and
- (vi) *sixthly*, the Subordinated Class F Notes.

B. after the occurrence of the Cumulative Default Trigger Event

On the relevant Quarterly Payment Date after the occurrence of the Cumulative Default Trigger Event and each Quarterly Payment Date thereafter the Issuer shall be obliged to apply the Notes Redemption Available Amount (as defined in Condition 6(f)) to redeem (or partially redeem) all (but not some only) of the Notes of each Class at their respective Principal Amount Outstanding on a *pro rata* basis among the Notes of a Class in the following order:

- (i) *firstly*, the Senior Class A Notes until fully redeemed;
- (ii) *secondly*, the Mezzanine Class B Notes until fully redeemed;
- (iii) *thirdly*, the Mezzanine Class C Notes until fully redeemed;
- (iv) *fourthly*, the Junior Class D Notes until fully redeemed;
- (v) *fifthly*, the Subordinated Class E Notes until fully redeemed; and
- (vi) *sixthly*, the Subordinated Class F Notes.

(c) Optional Redemption

Unless previously redeemed in full, on the Quarterly Payment Date falling in March 2015 and on each Quarterly Payment Date thereafter (each an '**Optional Redemption Date**') the Issuer may, at its option redeem all (but not some only) of the Notes of each Class at their Principal Amount Outstanding. The Issuer may only exercise the option to redeem the Notes after consultation of the Senior Class A Noteholders. In the event that on such Optional Redemption Date there is a Principal Shortfall or Estimated Shortfall in respect of the Subordinated Class F Notes or the Subordinated Class E Notes or the Junior Class D Notes or the Mezzanine Class C Notes or the Mezzanine Class B Notes, the Issuer may, at its option, in accordance with Condition 9(b), partially redeem all (but not some only) of the Subordinated Class F Notes or the Subordinated Class E Notes or the Junior Class D Notes or the Mezzanine Class C Notes or the Mezzanine Class B Notes respectively at their Principal Amount Outstanding less the sum of the relevant Principal Shortfall and the relevant Estimated Shortfall. The Senior Class A Notes shall be redeemed in full. After such redemption the Principal Amount Outstanding of each of the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes, the Subordinated Class E Notes and the Subordinated Class F Notes will be equal to the relevant Estimated Shortfall and subject to further redemption in accordance with this Condition 6(c). Any Estimated Shortfall in respect of each of the Subordinated Class F Notes or Subordinated Class E Notes or Junior Class D Notes or Mezzanine Class C Notes or Mezzanine Class B Notes respectively, remains outstanding but shall not accrue interest.

The Issuer shall notify the exercise of such option by giving not more than 60 nor less than 30 days written notice to the Security Trustee and the Noteholders in accordance with Condition 13, prior to the relevant Optional Redemption Date.

Provided that no Enforcement Notice has been served in accordance with Condition 10 and subject to Condition 9(b), on each Quarterly Payment Date after it has exercised the option as set out in this Condition, the Issuer shall be obliged to apply the Notes Redemption Available Amount, if any, in respect of such Quarterly Payment Date to redeem (or partially redeem) the Notes of each Class at their respective Principal Amount Outstanding on a *pro rata* basis among the Notes of a Class in the following order:

- (i) *firstly*, the Mezzanine Class B Notes, until fully redeemed;
- (ii) *secondly*, the Mezzanine Class C Notes, until fully redeemed;
- (iii) *thirdly*, the Junior Class D Notes, until fully redeemed;
- (iv) *fourthly*, the Subordinated Class E Notes, until fully redeemed; and

(v) *fifthly*, the Subordinated Class F Notes.

(d) *Redemption for tax reasons*

Subject to Condition 9(b), the Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Quarterly Payment Date, at their Principal Amount Outstanding, together with interest accrued up to and including the date of redemption, if 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 charge in, or amendment to, the application of the laws or regulations (including any guidelines issued by the tax authorities) 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 judgment 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 Quarterly Calculation Date immediately preceding such Quarterly Payment Date to discharge all amounts of principal and interest due in respect of each Class of the Notes and any amounts required to be paid in priority to or *pari passu* with each Class of Notes in accordance with the Trust Deed. No Class of Notes may be redeemed under such circumstances unless all Classes of Notes (or such of them as are then outstanding) are also redeemed in full at the same time.

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

(e) *Determination of Principal Redemption Amount and Principal Amount Outstanding*

- (i) On each Quarterly Calculation Date, the Issuer shall determine (or cause the Issuer Administrator to determine) (x) the Principal Redemption Amount and (y) the Principal Amount Outstanding of the relevant Note on the first day of the next following Interest Period. Each determination by or on behalf of the Issuer of any Principal Redemption Amount or the Principal Amount Outstanding of a Note shall in each case (in the absence of manifest error) be final and binding on all persons;
- (ii) The Issuer will cause each determination of a Principal Redemption Amount and Principal Amount Outstanding of the Notes to be notified forthwith to the Security Trustee, the Paying Agent, the Reference Agent, Euroclear and Euroclear Netherlands, Clearstream, Luxembourg, Euronext Amsterdam N.V. and to the holders of Notes by an advertisement in the English language in the Euronext Daily Official List ("*Officiële Prijscourant*") of Euronext Amsterdam N.V., but in any event no later than three Business Days prior to the relevant Quarterly Payment Date. If no Principal Redemption Amount is due to be made on the Notes on any applicable Quarterly Payment Date a notice to this effect will be given to the Noteholders in accordance with Condition 13;
- (iii) If the Issuer does not at any time for any reason determine (or cause the Issuer Administrator to determine) the Principal Redemption Amount or the Principal Amount Outstanding of a Note, such Principal Redemption Amount or such Principal Amount Outstanding shall be determined by the Security Trustee in accordance with this paragraph (e) and paragraph (a) above (but based upon the information in its possession as to the Notes Redemption Available Amount) and each such determination or calculation shall be deemed to have been made by the Issuer.

(f) *Definitions*

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

- (a) '**Cumulative Default Trigger Event**' shall be deemed to have occurred at any date if, at such date, the amount equal to the sum of (i) the aggregate Outstanding Principal Amount of the Defaulted

Receivables and (ii) in respect of Receivables in respect of which Realised Losses have occurred, the aggregate Outstanding Principal Amount on the date such Receivables became Defaulted Receivables is equal to or greater than an amount equal to 2.2 per cent. of the aggregate Outstanding Principal Amount of the Receivables on the Sale Date.

- (b) **'Defaulted Receivables'** means Receivables (i) which are in arrears for a period of at least 90 days from the due date or (ii) in respect of which foreclosure proceedings have been initiated or (iii) which have become involved in a restructuring which could result in maximization of recoveries on the relevant Loan of such obligation involving forgiveness or postponement of principal, interest or fees to the extent resulting in a loss or (iv) in respect of which the relevant Borrower (a) is dissolved; (b) becomes insolvent or is unable to pay its debts; (c) makes a general arrangement with its creditors; (d) institutes or has instituted against it insolvency or bankruptcy proceedings, suspension of payments, debt restructuring or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, (d) has a resolution passed for its winding-up or liquidation; (e) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all of its assets; (f) has a secured party take possession of its assets and any such process is not dismissed within 30 days thereafter, or (g) is subject to any analogous event under the applicable laws of any jurisdiction that has an analogous effect to any of the events specified in clause (a) to (f).
- (c) **'Issuer Share'** means an amount equal to the amount of the proceeds of the relevant Security Interests multiplied by the quotient of the Outstanding Principal Amount of the Defaulted Receivable on the day the relevant Receivable becomes a Defaulted Receivable divided by the sum of (i) the Outstanding Principal Amount of such Defaulted Receivable and (ii) the amount of Other Claims and (iii) any other Receivables of the same Borrower, in each case on the day the relevant Receivable becomes a Defaulted Receivable.
- (d) **'Junior Class D Pro-rata Redemption Amount'** means, on any Quarterly Payment Date, an amount equal to the Pro-rata Redemption Available Amount multiplied by the relevant Pro-rata Percentage.
- (e) **'Mezzanine Class B Pro-rata Redemption Amount'** means, on any Quarterly Payment Date, an amount equal to the Pro-rata Redemption Available Amount multiplied by the relevant Pro-rata Percentage.
- (f) **'Mezzanine Class C Pro-rata Redemption Amount'** means, with respect to any Quarterly Payment Date, an amount equal to the Pro-rata Redemption Available Amount multiplied by the relevant Pro-rata Percentage.
- (g) **'Net Proceeds'** means in respect of a Defaulted Receivable, the Issuer Share of (a) the proceeds of a foreclosure on any Security Interests, (b) the proceeds of foreclosure on any other collateral securing the Receivable, (c) the proceeds, if any, of collection of any insurance policies in connection with the Receivable and fire insurance, (d) the proceeds of any guarantees or sureties and (e) the proceeds of foreclosure on any other assets of the relevant Borrower, to the extent relating to principal, all after deduction of foreclosure costs.
- (h) **'Notes Redemption Available Amount'** shall mean, prior to the delivery of an Enforcement Notice by the Security Trustee, the sum of the following amounts, calculated as at any Quarterly Calculation Date, as being received or held in relation to the immediately preceding Quarterly Calculation Period:
 - (i) as repayment of principal under the Receivables;
 - (ii) as amounts received on the immediately succeeding Quarterly Payment Date in connection with a repurchase of the Receivables pursuant to the Receivables Purchase Agreement as a result of any of the representations and warranties proves to have been untrue or incorrect;
 - (iii) as prepayment of principal under the Receivables;
 - (iv) as Net Proceeds on any Receivable;
 - (v) as amounts received on the immediately succeeding Quarterly Payment Date in connection with a repurchase other than as mentioned under (ii) and any other amounts received pursuant to the Receivables Purchase Agreement to the extent relating to principal;
 - (vi) as amounts received in connection with a sale of Receivables pursuant to the Trust Deed to the extent relating to principal;
 - (vii) as amounts to be credited to the relevant Principal Deficiency Ledger on the immediately

succeeding Quarterly Payment Date and after the Optional Redemption Date on which the Issuer has redeemed the Notes in accordance with Condition 6(c), as amounts to be credited to the relevant Estimated Loss Ledger on the immediately succeeding Quarterly Payment Date;

- (viii) the Reserve Account Excess; and
- (ix) any part of the Notes Redemption Available Amount calculated on the immediately preceding Quarterly Calculation Date which has not been applied towards redemption of the Notes on the immediately preceding Quarterly Payment Date;
- (i) **'Post Foreclosure Proceeds'** means (a) in respect of a Defaulted Receivable any amount received by the Issuer after a Realised Loss in respect thereof is debited to the Principal Deficiency Ledger and (b) after the Estimated Loss Amount is debited to the Estimated Loss Ledger any amount received as deferred purchase price instalments in respect of any Defaulted Receivables;
- (j) **'Principal Amount Outstanding'** means on any Quarterly Payment Date, the principal amount of any Note upon issue less the aggregate amount of all Principal Redemption Amounts in respect of that Note that have become due and payable prior to such Quarterly Payment Date and less, with respect to the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes, the Subordinated Class E Notes and the Subordinated Class F Notes, as of the first day of the Interest Period immediately following the Optional Redemption Date on which the Issuer has exercised its option to redeem the Notes in accordance with Condition 6(c) an amount equal to the relevant Principal Shortfall.
- (k) **'Principal Redemption Amount'** means on the relevant Quarterly Payment Date the amount (if any) of the Notes Redemption Available Amount (as available to each Class of Notes pursuant to Condition 6(b) and 6(c)) on the Quarterly Calculation Date relating to that Quarterly Payment Date divided by the number of Notes subject to such redemption (rounded down to the nearest euro), provided always that the Principal Redemption Amount may never exceed the Principal Amount Outstanding of the relevant Note.
- (l) **'Pro-rata Percentage'** means, in respect of any Class of Notes, the aggregate Principal Amount Outstanding of such Class of Notes less the balance standing to the debit of the relevant sub-ledger of the Principal Deficiency Ledger divided by the sum of the aggregate Principal Amount Outstanding of the Notes less the balance standing to the debit of the Principal Deficiency Ledger.
- (m) **'Pro-rata Redemption Available Amount'** means (a) on any Quarterly Payment Date until either the Clean-Up Call Option or the Regulatory Call Option is exercised or the Cumulative Default Trigger Event has occurred, the amount equal to the sum of item (i) and item (ii) of the Notes Redemption Available Amount and (b) after the exercise of the Clean-Up Call Option or the Regulatory Call Option or the occurrence of the Cumulative Default Trigger Event, zero.
- (n) **'Realised Losses'** means, on any relevant Quarterly Payment Date, the sum of
 - (i) the amount of the difference between (y) the aggregate Outstanding Principal Amount of all Defaulted Receivables in respect of which the Seller, the Pool Servicer or the Issuer has foreclosed from the Closing Date up to and including the immediately preceding Quarterly Calculation Period and (z) the amount of the Net Proceeds; and
 - (ii) with respect to Receivables sold by the Issuer to a third party, the amount of the difference, if any, between (y) the aggregate Outstanding Principal Amount of such Receivables and (z) the purchase price received in respect of such Receivables to the extent relating to the principal,
 whereby for the purpose of establishing the Outstanding Principal Amount in case of set-off or defence to payments asserted by Borrowers any amount by which the relevant Receivables have been extinguished ("*teniet gegaan*") will be disregarded, unless the Issuer has been compensated for such amount.
- (o) **'Senior Class A Pro-rata Redemption Amount'** means, with respect to any Quarterly Payment Date, an amount equal to the Pro-rata Redemption Available Amount multiplied by the relevant Pro-rata Percentage.
- (p) **'Sequential Redemption Available Amount'** means on any Quarterly Payment Date the Notes Redemption Available Amount less the Pro-rata Redemption Available Amount on such Quarterly Payment Date.

- (q) **'Subordinated Class E Pro-rata Redemption Amount'** means, with respect to any Quarterly Payment Date, an amount equal to the Pro-rata Redemption Available Amount multiplied by the relevant Pro-rata Percentage.
- (r) **'Subordinated Class F Pro-rata Redemption Amount'** means, with respect to any Quarterly Payment Date, an amount equal to the Pro-rata Redemption Available Amount multiplied by the relevant Pro-rata Percentage.
- (s) **'Quarterly Calculation Date'** means, in relation to a Quarterly Payment Date, the fifth business day prior to such Quarterly Payment Date.
- (t) **'Quarterly Calculation Period'** means a period of three consecutive months commencing on (and including) the first day of each of June, September, December and March of each year, except for the first Quarterly Calculation Period which will commence on the Sale Date and end on and include the last day of May 2007.

7. Taxation

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

8. Prescription

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

9. Subordination

(a) Interest

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

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

interest paid on the Mezzanine Class C Notes on any Quarterly Payment Date in accordance with this Condition falls short of the aggregate amount of interest payable on the Mezzanine 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 Mezzanine Class C Notes for such period, and a pro rata share of such shortfall and accrued interest thereon shall be aggregated with the amount of, and treated for the purpose of these Conditions as if it were interest due, subject to this Condition, on each Mezzanine Class C Note on the next succeeding Quarterly Payment Date.

In the event that on any Quarterly Payment Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest due on the Junior Class D Notes on such Quarterly Payment Date, the amount available (if any) shall be applied pro rata to the amount of the interest due on such Quarterly Payment Date to the holders of the Junior Class D Notes. In the event of a shortfall, the Issuer shall credit the Class D Interest Deficiency Ledger with an amount equal to the amount by which the aggregate amount of interest paid on the Junior Class D Notes on any Quarterly Payment Date in accordance with this Condition falls short of the aggregate amount of interest payable on the Junior 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 Junior Class D Notes for such period, and a pro rata share of such shortfall and accrued interest thereon shall be aggregated with the amount of, and treated for the purpose of these Conditions as if it were interest due, subject to this Condition, on each Junior Class D Note on the next succeeding Quarterly Payment Date.

In the event that on any Quarterly Payment Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest due on the Subordinated Class E Notes on such Quarterly Payment Date, the amount available (if any) shall be applied pro rata to the amount of the interest due on such Quarterly Payment Date to the holders of the Subordinated Class E Notes. In the event of a shortfall, the Issuer shall credit the Class E Interest Deficiency Ledger with an amount equal to the amount by which the aggregate amount of interest paid on the Subordinated Class E Notes on any Quarterly Payment Date in accordance with this Condition falls short of the aggregate amount of interest payable on the Subordinated Class E Notes on that date for the purposes of Condition 4, but shall accrue interest as long as it remains outstanding at the rate of interest applicable to the Subordinated Class E Notes for such period, and a pro rata share of such shortfall and accrued interest thereon shall be aggregated with the amount of, and treated for the purpose of these Conditions as if it were interest due, subject to this Condition, on each Subordinated Class E Note on the next succeeding Quarterly Payment Date.

In the event that on any Quarterly Payment Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest due on the Subordinated Class F Notes on such Quarterly Payment Date, the amount available (if any) shall be applied pro rata to the amount of the interest due on such Quarterly Payment Date to the holders of the Subordinated Class F Notes. In the event of a shortfall, the Issuer shall credit the Class F Interest Deficiency Ledger with an amount equal to the amount by which the aggregate amount of interest paid on the Subordinated Class F Notes on any Quarterly Payment Date in accordance with this Condition falls short of the aggregate amount of interest payable on the Subordinated Class F Notes on that date for the purposes of Condition 4, but shall accrue interest as long as it remains outstanding at the rate of interest applicable to the Subordinated Class 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 Subordinated Class F Note on the next succeeding Quarterly Payment Date.

(b) Principal

Except for redemption in accordance with Condition 6(b)(A)(I), the Mezzanine Class B Noteholders will not be entitled to any further repayment of principal in respect of the Mezzanine Class B Notes until the date on which the Principal Amount Outstanding of the Senior Class A Notes is reduced to zero. If, on any Quarterly Payment Date, there is a balance on the Class B Principal Deficiency Ledger, then notwithstanding any other provisions of these Conditions the principal amount payable on redemption of each Mezzanine Class B Note on such

Quarterly Payment Date shall not exceed its Principal Amount Outstanding less the relevant Principal Shortfall on such Quarterly Payment Date. In case of redemption pursuant to Condition 6(c), the Principal Amount Outstanding of such Mezzanine Class B Notes shall be reduced accordingly and be equal to the relevant Estimated Shortfall. The Mezzanine Class B Noteholder shall have no further claim against the Issuer for the amount of the Principal Shortfall as of the first day of the Interest Period immediately following the Optional Redemption Date on which the Issuer has exercised its option to redeem the Notes in accordance with Condition 6(c). The Mezzanine Class B Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Mezzanine Class B Notes after the date on which the Issuer no longer holds any Receivables and there are no balances standing to the credit of the Transaction Accounts and the Issuer has no further rights under or in connection with any of the Relevant Documents.

Except for redemption in accordance with Condition 6(b)(A)(I), the Mezzanine Class C Noteholders will not be entitled to any further repayment of principal in respect of the Mezzanine Class C Notes until the date on which the Principal Amount Outstanding of the Senior Class A Notes and the Mezzanine Class B Notes is reduced to zero. If, on any Quarterly Payment Date, there is a balance on the Class C Principal Deficiency Ledger, then notwithstanding any other provisions of these Conditions the principal amount payable on redemption of each Mezzanine Class C Note on such Quarterly Payment Date shall not exceed its Principal Amount Outstanding less the relevant Principal Shortfall on such Quarterly Payment Date. In case of redemption pursuant to Condition 6(c) the Principal Amount Outstanding of such Mezzanine Class C Notes shall be reduced accordingly and be equal to the relevant Estimated Shortfall. The Mezzanine Class C Noteholder shall have no further claim against the Issuer for the amount of the Principal Shortfall as of the first day of the Interest Period immediately following the Optional Redemption Date on which the Issuer has exercised its option to redeem the Notes in accordance with Condition 6(c). The Mezzanine Class C Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Mezzanine Class C Notes after the date on which the Issuer no longer holds any Receivables and there are no balances standing to the credit of the Transaction Accounts and the Issuer has no further rights under or in connection with any of the Relevant Documents.

Except for redemption in accordance with Condition 6(b)(A)(I), the Junior Class D Noteholders will not be entitled to any further repayment of principal in respect of the Junior Class D Notes until the date on which the Principal Amount Outstanding of the Senior Class A Notes, the Mezzanine Class B Notes and the Mezzanine Class C Notes is reduced to zero. If, on any Quarterly Payment 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 Junior Class D Note on such Quarterly Payment Date shall not exceed its Principal Amount Outstanding less the relevant Principal Shortfall. In case of redemption pursuant to Condition 6(c), the Principal Amount Outstanding of such Junior Class D Notes shall be reduced accordingly and be equal to the relevant Estimated Shortfall. The Junior Class D Noteholder shall have no further claim against the Issuer for the amount of the Principal Shortfall as of the first day of the Interest Period immediately following the Optional Redemption Date on which the Issuer has exercised its option to redeem the Notes in accordance with Condition 6(c). The Junior Class D Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Junior Class D Notes after the date on which the Issuer no longer holds any Receivables and there are no balances standing to the credit of the Transaction Accounts and the Issuer has no further rights under or in connection with any of the Relevant Documents.

Except for redemption in accordance with Condition 6(b)(A)(I), the Subordinated Class E Noteholders will not be entitled to any further repayment of principal in respect of the Subordinated Class E Notes until the date on which the Principal Amount Outstanding of the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes and the Junior Class D Notes is reduced to zero. If on any Quarterly Payment 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 Subordinated Class E Note on such Quarterly Payment Date shall not exceed its Principal Amount Outstanding less the relevant Principal Shortfall. In case of redemption pursuant to Condition 6(c), the Principal Amount Outstanding of such Subordinated Class E Notes shall be reduced accordingly and be equal to the relevant Estimated Shortfall. The Subordinated Class E Noteholder shall have no further claim against the Issuer for the amount of the Principal Shortfall as of the first day of the Interest Period immediately following the Optional Redemption Date on which the Issuer has

exercised its option to redeem the Notes in accordance with Condition 6(c). The Subordinated Class E Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Subordinated Class E Notes after the date on which the Issuer no longer holds any Receivables and there are no balances standing to the credit of the Transaction Accounts and the Issuer has no further rights under or in connection with any of the Relevant Documents.

Except for redemption in accordance with Condition 6(b)(A)(I), the Subordinated Class F Noteholders will not be entitled to any further repayment of principal in respect of the Subordinated Class F Notes until the date on which the Principal Amount Outstanding of the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes and the Subordinated Class E Notes is reduced to zero. If on any Quarterly Payment Date, there is a balance on the Class F Principal Deficiency Ledger, then notwithstanding any other provisions of these Conditions the principal amount payable on redemption of each Subordinated Class F Note on such Quarterly Payment Date shall not exceed its Principal Amount Outstanding less the relevant Principal Shortfall. In case of redemption pursuant to Condition 6(c), the Principal Amount Outstanding of such Subordinated Class F Notes shall be reduced accordingly and be equal to the relevant Estimated Shortfall. The Subordinated Class F Noteholder shall have no further claim against the Issuer for the amount of the Principal Shortfall as of the first day of the Interest Period immediately following the Optional Redemption Date on which the Issuer has exercised its option to redeem the Notes in accordance with Condition 6(c). The Subordinated Class F Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Subordinated Class F Notes after the date on which the Issuer no longer holds any Receivables and there are no balances standing to the credit of the Transaction Accounts and the Issuer has no further rights under or in connection with any of the Relevant Documents.

'Principal Shortfall' shall mean in respect of a Note, an amount equal to the balance on the relevant sub-ledger of the Principal Deficiency Ledger on a Quarterly Payment Date divided by the number of the Notes of the relevant Class on such Quarterly Payment Date. If the Issuer redeems the Notes in accordance with Condition 6(c), the Principal Shortfall will be reduced to zero.

'Estimated Shortfall' shall mean, on any Quarterly Payment Date, an amount equal to the positive difference between (i) the Estimated Loss Amount debited to the relevant sub-ledger of the Estimated Loss Ledger and (ii) any amounts credited to such sub-ledger, divided by the number of the Notes of the relevant Class on such Quarterly Payment Date.

(c) *General*

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

10. Events of Default

The Security Trustee at its discretion may, and, if so directed by an Extraordinary Resolution of the Senior Class A Noteholders, or if no Senior Class A Notes are outstanding, by an Extraordinary Resolution of the Mezzanine Class B Noteholders, or if no Mezzanine Class B Notes are outstanding, by an Extraordinary Resolution of the Mezzanine Class C Noteholders, or if no Mezzanine Class C Notes are outstanding, an Extraordinary Resolution of the Junior Class D Noteholders, or if no Junior Class D Notes are outstanding, an Extraordinary Resolution of the Subordinated Class E Noteholders, or if no Subordinated Class E Notes are outstanding, an Extraordinary Resolution of the Subordinated 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 notice (an **'Enforcement**

Notice) to the Issuer that the Notes are, and each Note shall become, immediately due and payable at their or its Principal Amount Outstanding, together with accrued interest, if any of the following shall occur:

- (a) default is made for a period of fifteen (15) days or more in the payment on the due date of any amount due in respect of the Notes of the Relevant Class; or
- (b) the Issuer fails to perform any of its other obligations binding on it under the Notes of the Relevant Class, the Trust Deed, the Paying Agency Agreement or the Pledge Agreements and, except where such failure, in the reasonable opinion of the Security Trustee, is incapable of remedy, such default continues for a period of thirty days after written notice by the Security Trustee to the Issuer requiring the same to be remedied; or
- (c) if a conservatory attachment ("*conservatoir beslag*") or an executory attachment ("*executoriaal beslag*") on any major part of the Issuer's assets is made and not discharged or released within a period of thirty (30) days; or
- (d) if any order shall be made by any competent court or other authority or a resolution passed for the dissolution or 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 suspension of payments ("*surseance van betaling*") or for bankruptcy ("*faillissement*") or has been declared bankrupt; or
- (g) it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes, the Trust Deed and the Security;

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

11. Enforcement

- (a) At any time after the Notes of any Class become due and payable, the Security Trustee may, at its discretion and without further notice, take such steps and/or institute such proceedings as it may think fit to enforce the terms of the Parallel Debt Agreement (including the making of a demand of payment thereunder), the Trust Deed, the Pledge Agreements and the Notes, but it need not take any such proceedings unless (i) it shall have been directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes and (ii) it shall have been indemnified to its satisfaction;
- (b) No Noteholder may proceed directly against the Issuer unless the Security Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing;
- (c) The Noteholders may not institute against, or join any person in instituting against, the Issuer any bankruptcy, reorganisation, arrangement, insolvency or liquidation proceeding until the expiry of a period of at least one (1) year after the latest maturing Note is 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 in the circumstances set out herein and for its relief from responsibility. The Security Trustee is entitled to enter into commercial transactions

with the Issuer and/or any other party to the Relevant Documents without accounting for any profit resulting from such transaction.

13. Notices

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

14. Meetings of Noteholders; Modification; Consents; Waiver

- (a) The Trust Deed contains provisions for convening meetings of the Senior Class A Noteholders, the Mezzanine Class B Noteholders, the Mezzanine Class C Noteholders, the Junior Class D Noteholders, the Subordinated Class E Noteholders and the Subordinated Class F Noteholders to consider matters affecting the interests, including the sanctioning by Extraordinary Resolution, of such Noteholders of the relevant Class of a change of any of these Conditions or any provisions of the Relevant Documents, provided that no change of certain terms by the Noteholders of any Class including the date of maturity of the Notes of the relevant Class, or a change which would have the effect of postponing any day for payment of interest in respect of such Notes, reducing or cancelling the amount of principal payable in respect of such Notes or altering the majority required to pass an Extraordinary Resolution or any alteration of the date or priority of redemption of such Notes (any such change in respect of any such Class of Notes referred to below as a '**Basic Terms Change**') shall be effective, unless such Basic Terms Change is sanctioned by an Extraordinary Resolution of the Noteholders of the relevant Class of Notes as described below, except that, if the Security Trustee is of the opinion that such a Basic Terms Change is (a) being proposed by the Issuer as a result of, or in order to avoid an Event of Default and (b) in respect of the Rated Notes, (i) the Security Trustee has notified the Rating Agencies and (ii) Fitch and S&P have confirmed that the current ratings assigned to the Rated Notes will not be adversely affected by such Basic Terms Change and (iii) the Security Trustee, in its reasonable opinion, does not expect that the current ratings assigned to the Rated Notes by Moody's will be adversely affected by such Basic Terms Change, then no such Extraordinary Resolution is required.

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

No Extraordinary Resolution to sanction a change which would have the effect of accelerating or increasing the maturity of the Senior Class A Notes, or any date for payment of interest thereon, increasing the amount of principal or the rate of interest payable in respect of the Senior Class A Notes shall take effect unless it shall have been sanctioned with respect to the Senior Class A Notes by an Extraordinary Resolution of the Mezzanine

Class B Noteholders and/or the Mezzanine Class C Noteholders and/or the Junior Class D Noteholders and/or the Subordinated Class E Noteholders and/or the Subordinated Class F Noteholders.

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

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

- (b) The Security Trustee may agree, without the consent of the Noteholders, to any modification of any of the provisions of the Relevant Documents which is of a formal, minor or technical nature or is made to correct a manifest error. In addition, the Security Trustee may, without the consent of the Noteholders, (a) give its consent as provided for in the Relevant Documents or (b) agree to any other modification (except if prohibited in the Relevant Documents), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Relevant Documents which is in the opinion of the Security Trustee not materially prejudicial to the interests of the Noteholders, provided that, in respect of the Rated Notes, (i) the Security Trustee has notified the Rating Agencies, (ii) Fitch and S&P have confirmed that the then current ratings assigned to the Rated Notes will not be adversely affected by any such modification, authorisation or waiver and (iii) the Security Trustee, in its reasonable opinion, does not expect that the then current ratings assigned to the Rated Notes by Moody's will be adversely affected by any such modification, authorisation or waiver. For the avoidance of doubt, any such confirmation from Fitch and S&P does not address whether such modification, authorisation or waiver is in the best interest of, or prejudicial to, some or all of the holders of the Rated Notes. Any such modification, authorisation or waiver shall be binding on the Noteholders and, if the Security Trustee so requires, such modification shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.
- (c) In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Security Trustee shall have regard to the interests of the Senior Class A Noteholders and the Mezzanine Class B Noteholders and the Mezzanine Class C Noteholders and the Junior Class D Noteholders and the Subordinated Class E Noteholders and the Subordinated 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.

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

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

THE GLOBAL NOTES

Each Class of Notes shall be initially represented by a temporary global note in bearer form, without coupons (each a **'Temporary Global Note'**) (i) in the case of the Senior Class A Notes, in the principal amount of Euro 4,563,564,000 (the **"Temporary Global Class A Note"**), (ii) in the case of the Mezzanine Class B Notes, in the principal amount of Euro 98,141,000 (the **"Temporary Global Class B Note"**), (iii) in the case of the Mezzanine Class C Notes, in the principal amount of Euro 73,606,000 (the **"Temporary Global Class C Note"**), (iv) in the case of the Junior Class D Notes, in the principal amount of Euro 73,606,000 (the **"Temporary Global Class D Note"**), (v) in the case of the Subordinated Class E Notes, in the principal amount of Euro 83,420,000 (the **"Temporary Global Class E Note"**) and (vi) in the case of the Subordinated Class F Notes, in the principal amount of Euro 14,721,000 (the **"Temporary Global Class F Note"**). The Temporary Class A Note will on or about the Closing Date be deposited with Euroclear Netherlands and the Temporary Class B Note, the Temporary Class C Note, the Temporary Class D Note, the Temporary Class E Note and the Temporary Class F Note will on or about the Closing Date be deposited with ABN AMRO Bank N.V., acting through its London branch, as common depositary for Euroclear Bank S.A./N.V., as operator of the Euroclear System (**'Euroclear'**) and for Clearstream Banking, société anonyme (**'Clearstream, Luxembourg'**). Upon deposit of each such Temporary Global Note, Euroclear Netherlands or, as the case may be, Euroclear and Clearstream, Luxembourg will credit each purchaser of Notes 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 40 days after the issue date of the Notes (the **'Exchange Date'**) for interests in a permanent global note (each a **'Permanent Global Note'**), in bearer form, without coupons, in the principal amount of the Notes of the relevant Class (the expression **'Global Notes'** meaning the Temporary Global Notes of each Class of Notes and the Permanent Global Notes of each Class of Notes and the expression **'Global Note'** means any of them, as the context may require). On the exchange of a Temporary Global Note for a Permanent Global Note of the relevant Class of Notes, the Permanent Global Note (other than the Permanent Global Note issued in respect of the Senior Class A Notes, which will remain deposited with Euroclear Netherlands) will remain deposited with the common depositary.

The Global Notes will be transferable by delivery. Each Permanent Global Note will be exchangeable for notes in definitive form only in the circumstances described below. Such notes in definitive form shall be issued in denominations of Euro 50,000 each and minimum additional increments of Euro 1,000 or, as the case may be, in the Principal Amount Outstanding of the Notes of such Class on such exchange date. Each of the persons shown in the records of Euroclear Netherlands or, as the case may be, 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 Netherlands or, as the case may be, Euroclear or 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 Netherlands or Euroclear or Clearstream, Luxembourg, as appropriate.

For so long as all of the Notes are represented by the Global Notes and such Global Notes are held on behalf of Euroclear Netherlands or, as the case may be, Euroclear and/or Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear Netherlands or, as the case may be, 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 requirements 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 Netherlands, or as the case may be, Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

For so long as a Class of Notes is represented by a Global Note, each person who is for the time being shown in the records of Euroclear Netherlands, or as the case may be, Euroclear or 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 Netherlands or, as the case may be, 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.

In the case of Senior Class A Notes represented by a Permanent Global Note deposited with Euroclear Netherlands, a Noteholder shall not have the right to request delivery ("*uitkering*") thereof under the Dutch Securities Giro Transfer Act ("*Wet giraal Effectenverkeer*"), other than in the events sets forth in the following paragraph.

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 Netherlands, or, as the case may be, 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 the Paying Agent is or will be required to make any deduction or withholding on account of tax from any payment in respect of the Notes which would not be required were the Notes in definitive form, then the Issuer will at its sole cost and expense, issue:

- (i) Senior Class A Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Senior Class A Notes;
- (ii) Mezzanine Class B Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Mezzanine Class B Notes;
- (iii) Mezzanine Class C Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Mezzanine Class C Notes;
- (iv) Junior Class D Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Junior Class D Notes;
- (v) Subordinated Class E Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Subordinated Class E Notes; and
- (vi) Subordinated Class F Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Subordinated 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.

The following legend will appear on the Global Notes in respect of the Senior Class A Notes receipts and interest coupons (including talons) which are held through Euroclear Netherlands:

NOTICE: THIS NOTE IS ISSUED FOR DEPOSIT WITH NEDERLANDS CENTRAAL INSTITUUT VOOR GIRAAL EFFECTENVERKEER ("**EUROCLEAR NETHERLANDS**") AT AMSTERDAM, THE NETHERLANDS. ANY PERSON BEING OFFERED THIS NOTE FOR TRANSFER OR ANY OTHER PURPOSE SHOULD BE AWARE THAT THEFT OR FRAUD IS ALMOST CERTAIN TO BE INVOLVED.

NETHERLANDS TAXATION

The following summary describes the principal Netherlands tax consequences of the acquisition, holding, redemption and disposal of the Notes by entities as described in Section 2 and 3 of the Netherlands Corporate income tax act 1969. This summary does not describe the Netherlands tax consequences for individuals and 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 dispose of the Notes. Each prospective Noteholder should consult a professional advisor 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.

Except as otherwise indicated, this summary only addresses Netherlands tax legislation, as in effect and in force at the date hereof, as interpreted in published case law, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

1. Withholding tax

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

2. Taxes on income and capital gains

A holder of Notes will not be subject to Netherlands taxes on income or capital gains in respect of any payment under the Notes or in respect of any gain realised on the disposal or deemed disposal of the Notes, provided that:

- (a) such holder is neither resident nor deemed to be resident of the Netherlands; and
- (b) such holder does not have an interest in an enterprise or deemed enterprise (statutorily defined term) which, in whole or in part, is either effectively managed in the Netherlands or carried on through a permanent establishment, a deemed permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise the Notes are attributable.

3. Gift taxes

No Netherlands gift taxes will arise on the transfer of Notes by way of gift by a holder of Notes who is neither resident nor deemed to be resident in the Netherlands, unless such holder at the time of the gift has an enterprise or an interest in an enterprise that, in whole or in part, is or was either effectively managed in the Netherlands or carried on through a permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise the Notes are or were attributable.

4. Turnover tax

No Netherlands turnover tax will arise in respect of any payment in consideration for the issue of the Notes or with respect to any payment by the Issuer of principal, interest or premium (if any) on the Notes.

5. Other Taxes and Duties

No Netherlands registration tax, stamp duty or other similar documentary tax or duty or capital tax, other than court fees, will be payable in the Netherlands by the holders of Notes in respect of or in connection with the issue of the Notes.

PURCHASE AND SALE

ABN AMRO Bank N.V., acting through its London branch (the '**Arranger**'), Bayerische Hypo-und Vereinsbank AG and Millennium Investment Banking (the "**Co-Managers**" and together with the Arranger, the "**Managers**") have pursuant to a notes purchase agreement dated 22 February 2007 among the Managers, the Issuer and the Seller (the '**Notes Purchase Agreement**') jointly and severally agreed with the Issuer, subject to certain conditions, to purchase the 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.

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

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

United Kingdom

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

France

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

Italy

The offering of the Notes in Italy has not been registered with the Commissione Nazionale per la Società e la Borsa ('CONSOB') pursuant to Italian securities legislation and, accordingly, the Notes cannot be offered, sold or delivered in the Republic of Italy ("*Italy*") nor may any copy of this Prospectus or any other document relating to the Notes be distributed in Italy other than to professional investors ("*operatori qualificati*") as defined in Article 31, second

paragraph, of CONSOB Regulation No. 11522 of 1 July, 1998 as subsequently amended. Any offer, sale or delivery of the Notes or distribution of copies of this Prospectus or any other document relating to the Notes in Italy must be made (a) by an investment firm, bank or intermediary permitted to conduct such activities in Italy in accordance with Legislative Decree No. 58 of 24 February 1998 (the "*Financial Services Act*") and Legislative Decree No. 385 of 1 September 1993 (the "*Banking Act*"); (b) in compliance with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy and (c) in compliance with any other applicable laws and regulations and other possible requirements or limitations which may be imposed by Italian authorities. The Notes cannot be offered, sold or delivered on a retail basis, either in the primary or in the secondary market, to any individuals residing in Italy.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, US persons, except in certain transactions exempt from the registration requirements of the US Securities Act. Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act.

The Notes are in bearer form and are subject to US tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by US tax regulations. Terms used in this paragraph have the meanings given to them by the US Internal Revenue Code of 1986 and regulations thereunder.

Each of the Managers has agreed that it will not offer, sell or deliver the Notes (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering on the Closing Date within the United States or to, or for the account or benefit of, US persons and it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration to which it sells Notes during the distribution compliance period (as defined in Regulation S) a confirmation or other notice setting forth the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, US persons. Terms used in this paragraph have the meaning given to them by Regulations under the US Securities Act.

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

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

GENERAL INFORMATION

1. The issue of the Notes has been authorised by a resolution of the managing director of the Issuer passed on 16 February 2007.
2. Application has been made to list the Notes on Eurolist by Euronext Amsterdam. The estimated total costs involved with such admission amount to Euro 18.250.
3. The Senior Class A Notes have been accepted for clearance through Euroclear Netherlands and through the Securities Clearing Corporation of Euronext Amsterdam N.V. and will bear common code 028867468, ISIN CODE NL0000169142 and Fondscode 16914.
4. The Mezzanine Class B Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam N.V. and will bear common code 028845073, ISIN CODE XS0288450736 and Fondscode 07906.
5. The Mezzanine Class C Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam N.V. and will bear common code 028845359, ISIN CODE XS0288453599 and Fondscode 07907.
6. The Junior Class D Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam N.V. and will bear common code 028845537, ISIN CODE XS0288455370 and Fondscode 07908.
7. The Subordinated Class E Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam N.V. and will bear common code 028845588, ISIN CODE XS0288455883 and Fondscode 07909.
8. The Subordinated Class F Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam N.V. and will bear common code 028845634, ISIN CODE XS0288456345 and Fondscode 07910.
9. The addresses of the clearing systems are: (i) Euroclear Netherlands Damrak 70, 1012 LM Amsterdam, the Netherlands and (ii) Euroclear, 1 Boulevard de Roi Albert II, 1210 Brussels, Belgium and (iii) Clearstream Luxembourg, 42 Avenue J.F. Kennedy, L-1855 Luxembourg.
10. The "registeraccountants" of Ernst & Young Accountants have given and has not withdrawn its written consent to the issue of this Prospectus with their report included herein in the form and context in which it appears. The accountants of Ernst & Young Accountants are members of the Royal NIVRA ("*Nederlands Instituut voor registeraccountants*"), the Dutch accountants board.
11. Since its incorporation, the Issuer is not involved in any governmental legal, arbitration or administrative proceedings which may have a significant effect on the Issuer's financial position nor, so far as the Issuer is aware, are any such proceedings pending or threatened against the Issuer.
12. Copies of the following documents may be inspected at the specified offices of the Security Trustee and the Paying Agent free of charge during normal business hours:
 - (i) the Deed of Incorporation including the Articles of Association of the Issuer;
 - (ii) the Receivables Purchase Agreement;
 - (iii) the Paying Agency Agreement;
 - (iv) the Trust Deed;
 - (v) the Parallel Debt Agreement;
 - (vi) the Trustee Receivables Pledge Agreement;
 - (vii) the Trustee Assets Pledge Agreement;
 - (viii) the Administration Agreement;
 - (ix) the Floating Rate GIC;
 - (x) the Master Definitions Agreement;
 - (xi) the Swap Agreement; and
 - (xii) the articles of association of the Security Trustee.
13. A copy of the Prospectus will be available (free of charge) at the registered office of the Issuer, the Security Trustee and the Paying Agent.
14. The audited annual financial statements of the Issuer prepared annually will be made available, free of charge, at the specified offices of the Paying Agent.

15. The Articles of Association of the Issuer are incorporated herein by reference. A free copy thereof will be available at the registered office of the Issuer.
16. US Taxes:
The Notes will bear a legend to the following effect: 'any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Section 165(j) and 1287(a) of the Internal Revenue Code.'
17. 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.
18. The Issuer does not intend to make available any post-issuance information.

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REGISTERED OFFICES

ISSUER

SMILE Securitisation Company 2007 B.V.
Frederik Roeskestraat 123
1076 EE AMSTERDAM

SELLER

ABN AMRO Bank N.V.
Foppingadreef 22
1102 BS AMSTERDAM

POOL SERVICER

ABN AMRO Bank N.V.
Foppingadreef 22
1102 BS AMSTERDAM

ISSUER ADMINISTRATOR

ABN AMRO Bank N.V.
Foppingadreef 22
1102 BS AMSTERDAM

SECURITY TRUSTEE

Stichting Security Trustee SMILE Securitisation 2007
Herengracht 420
1017 BZ AMSTERDAM

LEGAL AND TAX ADVISERS

NautaDutilh N.V.
Strawinskylaan 1999
1007 JC AMSTERDAM
The Netherlands

PAYING AGENT AND REFERENCE AGENT

ABN AMRO Bank N.V.
Kemelstede 2
4817 ST BREDA

AUDITORS

Ernst & Young Accountants
Drentestraat 20
1083 HK AMSTERDAM

FLOATING RATE GIC PROVIDER

ABN AMRO Bank N.V.
Foppingadreef 22
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