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ARENA 2009-I B.V.

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

- euro 189,000,000 floating rate Senior Class A1 Mortgage-Backed Notes 2009 due 2041,
issue price 100 per cent.**
- euro 643,500,000 floating rate Senior Class A2 Mortgage-Backed Notes 2009 due 2041,
issue price 100 per cent.**
- euro 23,400,000 floating rate Mezzanine Class B Mortgage-Backed Notes 2009 due 2041,
issue price 100 per cent.**
- euro 20,700,000 floating rate Mezzanine Class C Mortgage-Backed Notes 2009 due 2041,
issue price 100 per cent.**
- euro 18,000,000 floating rate Mezzanine Class D Mortgage-Backed Notes 2009 due 2041,
issue price 100 per cent.**
- euro 5,400,000 floating rate Junior Class E Mortgage-Backed Notes 2009 due 2041,
issue price 100 per cent.**
- euro 4,500,000 floating rate Subordinated Class F Notes 2009 due 2041,
issue price 100 per cent.**

An application has been made to list the euro 189,000,000 floating rate Senior Class A1 Mortgage-Backed Notes 2009 due 2041 (the '**Senior Class A1 Notes**'), the euro 643,500,000 floating rate Senior Class A2 Mortgage-Backed Notes 2009 due 2041 (the '**Senior Class A2 Notes**'), and together with the Senior Class A1 Notes, the '**Senior Class A Notes**'), the euro 23,400,000 floating rate Mezzanine Class B Mortgage-Backed Notes 2009 due 2041 (the '**Mezzanine Class B Notes**'), the euro 20,700,000 floating rate Mezzanine Class C Mortgage-Backed Notes 2009 due 2041 (the '**Mezzanine Class C Notes**'), the euro 18,000,000 floating rate Mezzanine Class D Mortgage-Backed Notes 2009 due 2041 (the '**Mezzanine Class D Notes**'), the euro 5,400,000 floating rate Junior Class E Mortgage-Backed Notes 2009 due 2041 (the '**Junior Class E Notes**'), and together with the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes and the Mezzanine Class D Notes, the '**Mortgage-Backed Notes**') and the euro 4,500,000 floating rate Subordinated Class F Notes 2009 due 2041 (the '**Subordinated Class F Notes**') and together with the Mortgage-Backed Notes, the '**Notes**') to be issued by Arena 2009-I B.V. (the '**Issuer**'), on Euronext Amsterdam by NYSE Euronext ('**Euronext Amsterdam**'). This prospectus ('**Prospectus**') has been approved by the Netherlands Authority for the Financial Markets ("*Stichting Autoriteit Financiële Markten*") ('**AFM**') and constitutes a prospectus for the purposes of Directive 2003/71/EC (the '**Prospectus Directive**') and has been prepared in accordance with Chapter 5.1 of the Act on the Financial Supervision, as amended from time to time ("*Wet op het Financieel Toezicht*" or '**Wft**'). The Notes are expected to be issued and admitted to trading on 14 December 2009 (the '**Closing Date**').

The Notes will carry a floating rate of interest, payable monthly in arrear on each 17th day of each calendar month (or, if such day is not a Business Day, the next succeeding Business Day, unless such day falls in the next succeeding calendar month in which case the Business Day immediately preceding such 17th day) (each such day being a '**Monthly Payment Date**'), which will be one month Euribor (or, in respect of the first Floating Rate Interest Period, which will commence on (and include) the Closing Date and will end on (but exclude) the Monthly Payment Date falling in January 2010, the rate which represents the linear interpolation of Euribor for 1 month and 2 month deposits in euro, rounded, if necessary, to the 5th decimal place with 0.00005 being rounded upwards) plus a margin per annum, which will be for the Subordinated Class F Notes 5.40 per cent. and up to (but excluding) the first Optional Redemption Date for the Senior Class A1 Notes 1.10 per cent., for the Senior Class A2 Notes 1.40 per cent., for the Mezzanine Class B Notes 2.40 per cent., for the Mezzanine Class C Notes 3.40 per cent., for the Mezzanine Class D Notes 4.40 per cent. and for the Junior Class E Notes 4.90 per cent. If on the first Optional Redemption Date the Mortgage-Backed Notes of any Class will not be redeemed in full, in accordance with the terms and conditions of the Notes (the '**Conditions**'), the margin applicable to such Class of Mortgage-Backed Notes will be reset. The interest on such Class of Mortgage-Backed Notes from (and including) the first Optional Redemption Date will be equal to one month Euribor, plus a margin per annum which will be for the Senior Class A1 Notes 2.20 per cent., for the Senior Class A2 Notes 2.80 per cent., for the Mezzanine Class B Notes 3.40 per cent., for the Mezzanine Class C Notes 4.40 per cent., for the Mezzanine Class D Notes 5.40 per cent. and for the Junior Class E Notes 5.90 per cent. The margin applicable to the Subordinated Class F Notes will not be reset. Where the withholding or deduction of taxes, duties, assessments or charges are required by law in respect of payments of principal and/or interest of the Notes, such withholding or deduction will be made without an obligation of the Issuer to pay any additional amount to the Noteholders.

The Notes are scheduled to mature on the Monthly Payment Date falling in November 2041 (the '**Final Maturity Date**'). On each Monthly Payment Date, provided that no Enforcement Notice has been given, the Mortgage-Backed 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 by applying the Notes Redemption Available Amount on such date in the following order: (i) sequentially, first, the Senior Class A1 Notes, until fully redeemed and second, the Senior Class A2 Notes, until fully redeemed, (ii) second, the Mezzanine Class B Notes, until fully redeemed, (iii) third, the Mezzanine Class C Notes, until fully redeemed, (iv) fourth, the Mezzanine Class D Notes, until fully redeemed and (v) finally, the Junior Class E Notes. On the Monthly Payment Date falling in November 2014 and on each Monthly Payment Date thereafter (each an '**Optional Redemption Date**') the Issuer will have the option to redeem all (but not some only) of the Mortgage-Backed Notes then outstanding at

their Principal Amount Outstanding, subject to and in accordance with Condition 6(e) and subject to, in the case of the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes and the Junior Class E Notes, Condition 9(b). Also, the Issuer will have the option to redeem the Mortgage-Backed Notes upon the occurrence of a Tax Change in accordance with Condition 6(f) and subject to, in case of the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes and the Junior Class E Notes, Condition 9(b). If the Mortgage-Backed Notes are not redeemed in full on any Optional Redemption Date, the Mortgage-Backed Notes will remain subject to mandatory redemption in accordance with Condition 6(b). On each Monthly Payment Date, provided that no Enforcement Notice has been given, the Subordinated Class F Notes will be subject to mandatory partial redemption in the circumstances set out in, subject to and in accordance with Condition 6(c) through the application of the amount remaining of the Notes Interest Available Amount after all payments or deposits ranking higher have been made on such date.

Finally, the Issuer will redeem the Mortgage-Backed Notes in accordance with Condition 6(b) if the Seller exercises its option to repurchase the Mortgage Receivables upon the occurrence of a Regulatory Change (**'Regulatory Call Option'**) and/or the Clean-Up Call Option and subject to, in the case of the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes and the Junior Class E Notes, Condition 9(b). The Subordinated Class F Notes will be subject to redemption in accordance with and subject to Condition 6(c) and Condition 9(b).

It is a condition precedent to the issuance of the Notes that the Senior Class A Notes, on issue, be assigned an 'Aaa' rating by Moody's Investors Service Limited (**'Moody's'**) and an 'AAA' rating by Standard and Poor's Rating Services, a division of The McGraw-Hill Companies, Inc. (**'S&P'**) and, together with Moody's, the **'Rating Agencies'**), the Mezzanine Class B Notes, on issue, be assigned an 'Aa2' rating by Moody's and an 'A+' rating by S&P, the Mezzanine Class C Notes, on issue, be assigned at least an 'Aa3' rating by Moody's, the Mezzanine Class D Notes, on issue, be assigned at least a 'A3' rating by Moody's and the Junior Class E Notes, on issue, be assigned at least a 'Baa3' rating by Moody's. The Subordinated Class F Notes will not be rated.

The rating of each of the Mortgage-Backed Notes addresses the assessment 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 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 the section *Risk Factors* herein.**

The Notes will be (indirectly) secured by a right of pledge on the Mortgage Receivables and the Beneficiary Rights relating thereto vested by the Issuer in favour of Stichting Security Trustee Arena 2009-I (the **'Security Trustee'**) and all Notes jointly will be (indirectly) secured by a first ranking right of pledge vested by the Issuer in favour of the Security Trustee on all rights of the Issuer under or in connection with most of the Relevant Documents. The right to payment of interest and principal on the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes, the Junior Class E Notes and the Subordinated Class F Notes will be subordinated and may be limited as more fully described in the Conditions.

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

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

The Seller has agreed with each of the Managers that it will purchase any and all Notes not sold to third parties identified by the Managers at their sole discretion from the Managers on the Closing Date. The Seller may elect to dispose of any of such Notes at any time.

The Notes will be solely the obligations of the Issuer. The Notes will not be the obligations or responsibilities of, or guaranteed by, any other entity or person, acting in whatever capacity, including, without limitation, the Arrangers, the Managers, the Floating Rate GIC Provider, the Listing Agent, the Secured Parties and the Security Trustee or any other person, acting in whatever capacity. No liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes will be accepted by the Arrangers, the Managers, the Floating Rate GIC Provider, the Listing Agent, the Secured Parties and the Security Trustee, acting in whatever capacity. None of the Arrangers, the Managers, the Floating

Rate GIC Provider, the Listing Agent, the Secured Parties and the Security Trustee will be under any obligation whatsoever to provide additional funds to the Issuer (save as set out in the limited circumstances pursuant to the Relevant Documents).

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

The date of this Prospectus is 10 December 2009.

Lead Arranger

Rabobank International

Co-Arrangers

Natixis

The Royal Bank of Scotland

Joint Lead Managers

Natixis

Rabobank International

The Royal Bank of Scotland

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SUMMARY

The following is an overview of the principal features of the transaction described in this Prospectus, including the issue of the Notes. The information in this section does not purport to be complete. 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 attaches to the Issuer, being the entity which has prepared the summary, and applied for its notification, but only if the summary is misleading, inaccurate or inconsistent when read together with other parts of the Prospectus. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.

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

Risk factors

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

The transaction

The following is a limited overview of the transaction described in this Prospectus. Reference is also made to the indicative structure diagram below and a reference to any numbers in this section is a reference to the numbers in such structure diagram.

The Issuer will purchase and, on the Closing Date, accept the assignment from the Seller of the Mortgage Receivables (i.e. the rights under or in connection with certain pre-selected Mortgage Loans originated by the Seller) and accept assignment of the Beneficiary Rights relating thereto by means of a registered deed of assignment (the '**Deed of Assignment**') as a result of which legal title to the Mortgage Receivables and the Beneficiary Rights relating thereto is transferred to the Issuer. The Issuer will on the Closing Date issue the Notes and use the net proceeds of the Mortgage-Backed Notes to pay to the Seller (part of) the Initial Purchase Price for the Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement. Furthermore, the Issuer will pay the Deferred Purchase Price, which is to be paid in Deferred Purchase Price Instalments (if any) on each Monthly Payment Date (see the section *Mortgage Receivables Purchase Agreement* below). On the Closing Date, the aggregate Construction Amount will be withheld from the Initial Purchase Price and deposited on the Construction Account. The proceeds of the issue of the Subordinated Class F Notes will be credited to the Reserve Account (1).

On each Monthly Payment Date, the Issuer will use receipts of (i) principal in respect of the Mortgage Receivables, amounts received under the Sub-Participation Agreements (6) and drawings from the Reserve Account through the Notes Interest Available Amount (7), to make payments of principal in respect of the Mortgage-Backed Notes and (ii) interest in respect of the Mortgage Receivables together with amounts it receives under the Liquidity Facility Agreement, drawings from the Reserve Account, the Floating Rate GIC and the Swap Agreement to make payments of, *inter alia*, interest due in respect of the Notes and principal payments in respect of the Subordinated Class F Notes. The obligations of the Issuer in respect of the Notes will rank below the obligations of the Issuer in respect of certain items set forth in the applicable priority of payments (see the section *Credit Structure* below) and (i) payments of principal and interest on the Mezzanine Class B Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, (ii) payments of principal and interest on the Mezzanine Class C Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes and the Mezzanine Class B Notes, (iii) payments of principal and interest on the Mezzanine Class D Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, the Mezzanine Class B Notes and the Mezzanine Class C Notes, (iv) payments of principal and interest on the Junior Class E Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes and the Mezzanine Class D

Notes, (v) payments of principal and interest on the Subordinated Class F Notes are subordinated to, *inter alia*, payments of interest on the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes and the Junior Class E Notes and limited as more fully described herein under *Credit Structure* and *Terms and Conditions of the Notes* below (2).

The holders of the Subordinated Class F Notes do not have the right to receive any amount pursuant to the Principal Priority of Payments.

Pursuant to the Liquidity Facility Agreement the Issuer will be entitled to make drawings if, and to the extent that, after application of the amounts available on the Reserve Account and without taking into account any drawing under the Liquidity Facility Agreement, there is a shortfall in the Notes Interest Available Amount to meet certain items of the Interest Priority of Payments in full (see the section *Credit Structure* below) (3).

Pursuant to the Floating Rate GIC, the Floating Rate GIC Provider will agree to pay a guaranteed rate of interest determined by reference to EONIA on the balances standing from time to time to the credit of the Transaction Accounts (see the section *Credit Structure* below) (4).

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

Pursuant to the Issuer Services Agreement, (i) the MPT Provider will – *inter alia* – (a) provide mortgage payment transactions and other services to the Issuer on a day-to-day basis in relation to the Mortgage Loans and the Mortgage Receivables, including, without limitation, the collection and recording of payments of principal, interest and other amounts in respect of the Mortgage Receivables and (b) prepare and provide the Issuer Administrator with certain statistical information regarding the Issuer as required by law for submission to the relevant governmental authorities and (ii) the Defaulted Loan Servicer will agree to provide implementation of arrears procedures including the enforcement of mortgage rights and pledges and to provide information on the relevant Participation in the Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element and the Bank Savings Mortgage Receivables and (iii) the Issuer Administrator will agree (a) to provide certain administration, calculation and cash management services to the Issuer and (b) to submit certain statistical information regarding the Issuer as referred to above to certain governmental authorities if and when requested (see further the sections *Issuer Services Agreement* and *Mortgage Underwriting and Mortgage Services* below).

To mitigate the risk between the rate of interest to be received by the Issuer on the Mortgage Receivables and on the Issuer Collection Account and the rate of interest payable by the Issuer on the Mortgage-Backed Notes, the Issuer will enter into a Swap Agreement (see the section *Credit Structure* below). The rate of interest payable by the Issuer on the Subordinated Class F Notes will not be hedged (5).

The Issuer

Arena 2009-I 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. 1573942 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 purchase and accept assignment of the Mortgage Receivables and to issue the Notes.

Security

The Notes will be secured indirectly, through the Security Trustee, by (i) a first ranking right of pledge granted by the Issuer to the Security Trustee over the Mortgage Receivables and the Beneficiary Rights relating thereto and (ii) a first ranking right of pledge by the Issuer to the Security Trustee over the Issuer's rights under or in connection with (most of) the Relevant Documents.

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

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

Limited Recourse

Each of the Noteholders shall only have recourse in respect of any claim against the Issuer in accordance with the relevant priority of payments as set forth in the Trust Deed, as reflected in *Credit Structure*. The Noteholders and the other Secured Parties shall not have recourse on any assets of the Issuer other than (i) the Mortgage Receivables and the Beneficiary Rights, (ii) the balance standing to the credit of the Transaction Accounts and (iii) the amounts received by the Issuer under the Relevant Documents. In the event that the Security in respect of the Notes has been fully enforced and the proceeds of such enforcement, after payment of all other claims ranking under the Trust Deed in priority to a Class of Notes are insufficient to pay in full all principal and interest and other amounts whatsoever due in respect of such Class of Notes, the Noteholders of the relevant Class of Notes shall have no further claim against the Issuer or the Security Trustee in respect of any such unpaid amounts.

The Notes

The Issuer will issue the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes, the Junior Class E Notes and the Subordinated Class F Notes on the Closing Date.

The Seller has agreed with each of the Managers that it will purchase any and all Notes not sold to third parties identified by the Managers at their sole discretion from the Managers on the Closing Date. The Seller may elect to dispose of any of such Notes at any time.

By acquiring the Notes, the Noteholders 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 by Euroclear and/or Clearstream, Luxembourg or its participants of their obligations under their respective rules, operating procedures and calculation methods.

Interest on the Notes

Interest on the Notes is payable by reference to successive interest periods (each a **Floating Rate Interest Period**) and will be payable monthly in arrear in euro in respect of the Principal Amount Outstanding on each Monthly Payment Date. The rate of interest for the Notes will be one month Euribor (or in respect of the first Floating Rate Interest Period, the rate which represents the linear interpolation of Euribor for 1 month and 2 month deposits in euro, rounded, if necessary, to the 5th decimal place with 0.00005 being rounded upwards) plus a margin per annum. On the first Optional Redemption Date, the margin of the Mortgage-Backed Notes will be reset subject to and in accordance with the Conditions. The margin of the Subordinated Class F Notes will not be reset.

Redemption of the Notes

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

Provided that no Enforcement Notice has been given in accordance with Condition 10, on each Monthly Payment Date the Issuer will be obliged to apply the Notes Redemption Available Amount, which, *inter alia*, consists of all amounts of principal received (i) as repayment or pre-payment on the Mortgage Receivables and (ii) in connection with a repurchase or sale of the Mortgage Receivables, to (partially) redeem the Mortgage-Backed Notes in accordance with the Principal Priority of Payments in the following order: (i) sequentially, *first*, the Senior Class A1 Notes, until fully redeemed and, *second*, the Senior Class A2 Notes, until fully redeemed, (ii) *second*, the Mezzanine Class B Notes, until fully redeemed, (iii) *third*, the Mezzanine Class C Notes, until fully redeemed, (iv) *fourth*, the Mezzanine Class D Notes, until fully redeemed and (v) *finally*, the Junior Class E Notes.

The Issuer will have the option to redeem all of the Mortgage-Backed Notes but not some only, on each Optional Redemption Date at their Principal Amount Outstanding in accordance with Condition 6(e) and subject to, in the case of the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes and the Junior

Class E Notes, Condition 9(b). Also, the Issuer will have the option to redeem the Mortgage-Backed Notes upon the occurrence of a Tax Change in accordance with Condition 6(f) and subject to, in the case of the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes and the Junior Class E Notes, to Condition 9(b). Finally, the Issuer will redeem the Mortgage-Backed Notes if the Seller exercises its Regulatory Call Option and/or the Clean-Up Call Option in accordance with Condition 6(b) subject to, in the case of the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes and the Junior Class E Notes, Condition 9(b).

Provided that no Enforcement Notice has been served in accordance with Condition 10, on each Monthly Payment Date, the Issuer will be obliged to apply the Class F Redemption Available Amount to redeem the Subordinated Class F Notes.

Listing

Application has been made to list the Notes on Euronext Amsterdam on the Closing Date.

Rating

It is a condition precedent to issuance of the Notes that the Senior Class A Notes, on issue, be assigned an 'Aaa' rating by Moody's and an 'AAA' rating by S&P, the Mezzanine Class B Notes, on issue, be assigned an 'Aa2' rating by Moody's and an 'A+' rating by S&P, the Mezzanine Class C Notes, on issue, be assigned at least an 'Aa3' rating by Moody's, the Mezzanine Class D Notes, on issue, be assigned at least a 'A3' rating by Moody's and the Junior Class E Notes, on issue, be assigned at least a 'Baa3' rating by Moody's. The Subordinated Class F Notes will not be rated.

RISK FACTORS

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

RISK FACTORS REGARDING THE ISSUER

The Notes will solely be 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, acting in whatever capacity, including, without limitation, the Seller, the Savings Insurance Company, the Arrangers, the Managers, the Liquidity Facility Provider, the MPT Provider, the Defaulted Loan Servicer, the Subordinated Loan Provider, the Issuer Administrator, the Floating Rate GIC Provider, the Swap Counterparty, the Directors, the Paying Agent, the Reference Agent, the Listing Agent or the Security Trustee. Furthermore, none of the Seller, the Savings Insurance Company, the Bank Savings Participant, the Arrangers, the Managers, the Liquidity Facility Provider, the MPT Provider, the Defaulted Loan Servicer, the Subordinated Loan Provider, the Issuer Administrator, the Floating Rate GIC Provider, the Swap Counterparty, the Directors, the Paying Agent, the Reference Agent, the Listing Agent, the Security Trustee or any other person, acting in whatever capacity, 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 Liquidity Facility Provider, the Savings Insurance Company, the Bank Savings Participant, the Swap Counterparty, the MPT Provider, the Issuer Administrator, the Defaulted Loan Servicer, the Subordinated Loan Provider, the Directors, the Paying Agent, the Reference Agent, the Listing Agent, the Arrangers, the Managers, the Floating Rate GIC Provider and the Security Trustee or any other party, acting in whatever capacity, will be under any obligation whatsoever to provide additional funds to the Issuer (save in the limited circumstances pursuant to the Relevant Documents).

The Issuer has limited resources available to meet its payment obligations

The ability of the Issuer to meet its obligations in full to pay principal of and interest on the Notes will be dependent on the receipt by it of funds under the Mortgage Receivables, the proceeds of the sale of any Mortgage Receivables, the receipt by it of payments under the Swap Agreement and the Sub-Participation Agreements and the receipt by it of interest in respect of the balances standing to the credit of the Transaction Accounts. See the section *Credit Structure* below. In addition, the Issuer will have available to it the balances standing to the credit of the Reserve Account and, under certain circumstances, the Construction Account and the amounts available to be drawn under the Liquidity Facility Agreement for certain of its payment obligations. The Issuer does not have other resources available.

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) Rabobank International in its capacity as Floating Rate GIC Provider and Liquidity Facility Provider may not perform its obligations vis-à-vis the Issuer, (b) Rabobank International, London Branch in its capacity as Swap Counterparty may not perform its obligations vis-à-vis the Issuer, (c) ABN AMRO, in its capacity as Paying Agent, Reference Agent and Listing Agent may not perform its obligations vis-à-vis the Issuer, (d) Amstelhuys in its capacity as Seller and Subordinated Loan Provider may not perform its obligations vis-à-vis the Issuer, (e) Delta Lloyd Bank in its capacity as MPT Provider, Defaulted Loan Servicer and Bank Savings Participant may not perform its obligations vis-à-vis the Issuer, (f) Delta Lloyd Life in its capacity as the Savings Insurance Company may not perform its obligations under the Savings Insurance Sub-Participation Agreement, (g) ATC Financial Services B.V. in its capacity as Issuer Administrator may not perform its obligations under the Issuer Services Agreement, (h) ATC Management B.V. as Director of the Issuer and the Shareholder may not perform its obligations under the relevant Management Agreements respectively and (i) ANT Securitisation Services B.V. may not perform its obligations under the relevant Management Agreement.

Due to the dependency on the performance of the relevant counterparties of their obligations in connection with this transaction, a deterioration of the credit quality of any of these counterparties might have an adverse effect on the rating of one or all Classes of the Mortgage-Backed Notes. In particular, the following should be noted in respect of the Seller.

The Seller and the Group face a variety of risks, including, but not limited to (i) changes in the financial markets and general economic conditions which could have a material adverse effect on the Group's business, revenues, results and financial condition, (ii) credit risks, and defaults or increased likelihood of default of the Group's debtors or entities in which the Group has invested, which could have a material adverse effect on the value of the Group's assets, (iii) deterioration in the financial soundness of other financial institutions, which may have a material adverse effect on the Group's business, revenues and financial condition, (iv) the traditional reliance on securitisations in respect of the funding for the Group's mortgage business, which market has generally been unavailable since late 2007; as a result, the Group's cost of funds has increased and in certain circumstances, the Group may be unable to find alternative sources of funding, or such funding may be available only on unfavourable terms, (v) the introduction of a new regime by the European Commission governing solvency margins and provisions for insurance companies, the effect of which is uncertain and (vi) changes in government regulations in the countries in which the Group operates, which may have a material adverse effect on the business, revenues, results and financial condition of the Group.

Such risk may result in a decrease of the financial resources available to the Seller to repurchase Mortgage Receivables from the Issuer which it is obliged to repurchase under the Mortgage Receivables Purchase Agreement, *inter alia*, if there is a breach of the representations and warranties in respect of such Mortgage Receivables. If the Seller is unable to repurchase such Mortgage Receivables or to perform its ongoing obligations under any other Relevant Documents, the performance of the Notes may be adversely affected. Therefore, due to the dependency on the performance by the Seller of its obligations under the Relevant Documents, a deterioration of the credit quality of the Group may have an adverse effect on the rating of the Mortgage-Backed Notes.

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

Under or pursuant to the Pledge Agreements, various rights of pledge will be granted by the Issuer to the Security Trustee. On the basis of these rights of pledge the Security Trustee can exercise the rights afforded by Dutch law to pledgees notwithstanding bankruptcy or (preliminary) suspension of payments of the Issuer. The Issuer is a special purpose vehicle intended to be bankruptcy remote and is therefore unlikely to become insolvent. However, any bankruptcy or suspension of payments involving the Issuer would affect the position of the Security Trustee as pledgee in some respects, the most important of which are: (i) payments made by the Borrowers to the Issuer after notification of the assignment by the Seller to the Issuer and prior to notification of the pledge of the Security Trustee but after bankruptcy or (preliminary) suspension of payments of the Issuer will be part of the bankruptcy estate of the Issuer, although the Security Trustee has the right to receive such amounts by preference after deduction of certain costs, (ii) a mandatory 'cool-off' period of up to four months may apply in case of bankruptcy or suspension of payments involving the Issuer, which, if applicable would delay the exercise ("*uitwinnen*") of the right of pledge on the Mortgage Receivables, but not the collection ("*innen*") of interest and principal payment in respect of the Mortgage Receivables and (iii) the Security Trustee may be obliged following bankruptcy of the Issuer 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 receivables pledged by the Issuer to the Security Trustee are future receivables, the right of pledge on such future receivables cannot be invoked against the estate of the Issuer, if such future receivables come into existence after the Issuer has been declared bankrupt or a 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. With respect to the effectiveness of a right of pledge on the Beneficiary Rights, reference is made to *Risks relating to Beneficiary Rights under the Insurance Policies* and with respect to Construction Amounts reference is made to *Construction Amounts* below.

Risks related to the creation of rights of pledge on the basis of the Parallel Debt

Under Dutch law it is uncertain whether a security right can be validly created in favour of a party which is not the creditor of the claim which the security right purports to secure. Consequently, in order to secure the valid creation of the rights of pledges in favour of the Security Trustee, the Issuer has in the Parallel Debt Agreement, as a separate and independent obligation, by way of parallel debt, undertaken to pay to the Security Trustee amounts equal to the amounts due by it to the Secured Parties. The Issuer has been advised that 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 Pledge Agreements (see the section *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 Secured Parties therefore have a credit risk on the Security Trustee. However, the Security Trustee is a special purpose vehicle intended to be bankruptcy remote.

Licence requirement under the Wft

Under the Wft, as a general rule a special purpose vehicle which services ("*beheert*") and administers ("*uitvoert*") loans granted to consumers such as the Issuer, must have a licence under the Wft. As the Mortgage Loans are granted to consumers, the Issuer must also have a licence under the Wft. However, an exemption from the licence requirement is available, if the special purpose vehicle outsources the servicing of the loans and the administration thereof to an entity holding a licence under the Wft. The Issuer has outsourced the servicing and administration of the Mortgage Loans to the MPT Provider and the implementation of arrears procedures to the Defaulted Loan Servicer, Delta Lloyd Bank as the MPT Provider and the Defaulted Loan Servicer holds a licence as a bank under the Wft and the Issuer thus benefits from the exemption. However, if the appointment of Delta Lloyd Bank as the MPT Provider and/or the Defaulted Loan Servicer under the Issuer Services Agreement is terminated, the Issuer will need to outsource the servicing and administration of the Mortgage Receivables to another licensed entity or it needs to apply for and hold a licence itself. In the latter case, the Issuer will have to comply with the applicable requirements under the Wft. If such appointment(s) under the Issuer Services Agreement is (are) terminated and the Issuer has not outsourced the servicing and administration of the Mortgage Loans to a licensed entity and does not hold a licence itself, the Issuer will have to terminate its activities and settle ("*afwikkelen*") its existing agreements. This may result, among others, in early redemption of the Notes.

RISK FACTORS REGARDING THE MORTGAGE RECEIVABLES

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

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

Until notification of the assignment has been made to the Borrowers, the Borrowers under the Mortgage 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 Mortgage Receivables Purchase Agreement to pay on each Mortgage Payment Date to the Issuer any amounts received in respect of the Mortgage Receivables during the immediately preceding Mortgage Calculation Period. However, receipt of such amounts by the Issuer is subject to the Seller actually making such payments. If the Seller is declared bankrupt or subject to (preliminary) suspension of payments prior to making such payments, the Issuer has no right of preference in respect of such amounts.

Payments made by Borrowers to the Seller prior to notification but after bankruptcy or (preliminary) suspension of payments 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 Mortgage Receivables

Under Dutch 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 its debt as well as to enforce payment of its claim. Subject to these

requirements being met, each Borrower will be entitled to set off amounts due by the Seller to it (if any) with amounts it owes in respect of the Mortgage Receivable prior to notification of the assignment of the Mortgage Receivable to the Issuer having been made. Such amounts due by the Seller to a Borrower could, *inter alia*, result from current account balances held or deposits made with the Seller or from (investment) services, including in connection with Investment Mortgage Loans, for which the Seller is responsible or held liable. As a result of the set-off of amounts due and payable by the Seller to the Borrower with amounts the Borrower owes in respect of the Mortgage Receivable, the Mortgage Receivable will, partially or fully, be extinguished ("*gaat teniet*"). Set-off by Borrowers could thus lead to losses under the Notes.

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

After assignment of the Mortgage Receivables to the Issuer and notification thereof to a Borrower, such Borrower will also have set-off rights vis-à-vis the Issuer, provided that (i) the legal requirements for set-off are met (see above), (ii) the counterclaim of the Borrower against the Seller results from the same legal relationship as the relevant Mortgage Receivable or (iii) the counterclaim of the Borrower has been originated and become due and payable prior to the assignment of the Mortgage Receivable and notification thereof to the relevant Borrower. The question whether a court will come to the conclusion that the Mortgage Receivable and the claim of the Borrower on the Seller result from the same legal relationship will depend on all relevant facts and circumstances involved. But even if these would be held to be different legal relationships, set-off will be possible if the counterclaim of the Borrower has originated ("*opgekomen*") and become due and payable ("*opeisbaar*") prior to notification of the assignment and, further, provided that all other requirements for set-off have been met (see above).

In case notification of the assignment of the Mortgage Receivables is made after the bankruptcy or (preliminary) suspension of payments of the Seller having become effective, it is defended in legal literature that the Borrower will, irrespective of the notification of the assignment, continue to have the broader set-off rights afforded to it in the Dutch Bankruptcy Code. Under the Dutch 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 becomes effective or (ii) resulted from transactions with the bankrupt entity concluded prior to the bankruptcy becoming effective. A similar provision applies in case of suspension of payments.

The Mortgage Receivables Purchase Agreement provides that if a Borrower sets off amounts due to it by the Seller or in respect of interest and premium deposits ("*rente- en premiedepots*") against the relevant Mortgage Receivable and, as a consequence thereof, the Issuer does not receive the amount which it is entitled to receive in respect of such Mortgage Receivable, the Seller will pay to the Issuer an amount equal to the difference between the amount which the Issuer would have received in respect of the relevant Mortgage Receivable if no set-off had taken place and the amount actually received by the Issuer in respect of such Mortgage Receivable. Furthermore, the Seller will represent and warrant in the Mortgage Receivables Purchase Agreement that no deposits have been accepted from any of its Borrowers (except for (i) certain amounts of interest and premium deposits held by the Savings Insurance Company of which the aggregate amount does not exceed (a) euro 500,000 and (b) the Bank Savings Deposits and (ii) the aggregate Construction Amounts), and that it currently does not have any current account relationship with its Borrowers. Furthermore, the Seller will covenant in the Mortgage Receivables Purchase Agreement that it will not accept any deposits from a Borrower and it will not enter into a current account relationship with a Borrower.

For specific set-off issues relating to Investment Mortgage Loans and the Insurance Policies connected to the Mortgage Loans, reference is made to the paragraphs *Risks related to offering of Investment Mortgage Loans and Life Insurance Policies* and *Risk of set-off or defences in case of insolvency of Insurance Companies*. For specific set-off issues relating to Bank Savings Mortgage Loans, reference is made to the paragraph *Risk of set-off or defences in case of Mortgage Receivables resulting from Bank Savings Mortgage Loans*.

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

Mortgage Receivables - originated prior to 8 September 2005

All Mortgage Receivables resulting from Mortgage Loans originated prior to 8 September 2005 which are sold to the Issuer by the Seller will be secured by mortgage rights which secure not only the initial Mortgage Loan

but also any amounts which the Borrower may be due or become due to the Seller under further loans and/or credits up to a maximum level. It is likely that such Mortgage Loans should be regarded as "*krediethypotheken*" ('**Credit Mortgages**').

Mortgage Receivables - originated after 8 September 2005

All Mortgage Receivables resulting from Mortgage Loans originated after 8 September 2005 which are sold to the Issuer by the Seller will be secured by mortgage rights which not only secure the loan granted to the Borrower for the purpose of acquiring the Mortgaged Assets, but also other liabilities and amounts the Borrower now or in the future may owe to the Seller ('**Bank Mortgages**') ("*bankhypotheken*"). The paragraphs set out below in respect of Bank Mortgages apply *mutatis mutandis* to Credit Mortgages.

Mortgage Receivables - general

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

The prevailing view of Dutch legal commentators has been for a long time that upon the assignment of a receivable secured by a Bank Mortgage, such mortgage right does not pass to the assignee as an accessory and ancillary right in view of its non-accessory or personal nature. It was assumed that a Bank Mortgage only follows a receivable which it 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 mortgage right. These commentators claim that this view is supported by case law.

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

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

The forms of mortgage deed used by the Seller provide that in case of assignment of the receivables, the mortgage right will partially follow *pro rata* the receivable if it is assigned. This provision is a clear indication of the intentions of the parties in this respect. The Issuer has been advised that in the absence of circumstances giving an indication to the contrary, the inclusion of such provision in the mortgage deed makes clear that the Bank Mortgage (partially) follows the Mortgage Receivable as an accessory and ancillary right upon its assignment, but that there is no case law explicitly supporting this advice.

The form of mortgage deeds used in respect of Mortgage Receivables originated prior to 8 September 2005 does not provide that in case of a pledge of the receivable the mortgage right will (partially) follow the receivable. Therefore, there is no clear indication of the intention of the parties and, consequently, the above does not apply to the pledge of the Mortgage Receivables originated prior to 8 September 2005. However, the Issuer has been advised that a good argument can be made that the intention of the parties in case of an assignment of the Mortgage Receivable also include the intention in case of a pledge of such Mortgage Receivable, but that it is less certain that the mortgage right will continue to secure the Mortgage Receivable upon the pledge to the Security Trustee. In addition, the Issuer has been advised that a good argument can be made, based upon Dutch legal literature, that the Security Trustee, being as first ranking pledgee entitled to collect the Mortgage Receivable, is entitled to enforce any accessory rights to the Mortgage Receivable, such as the mortgage right. The form of mortgage deed used in respect of Mortgage Receivables originated after 8 September 2005 provides

that also in case of a pledge of the Mortgage Receivable the mortgage right will (partially) follow the Mortgage Receivable (see the paragraph above with respect the assignment of a Mortgage Receivable, which applies *mutatis mutandis* to the pledge of a Mortgage Receivable).

In addition, pursuant to the forms of mortgage deeds, the Borrowers have granted certain rights of pledge in favour of the Seller. Such rights of pledge secure the same liabilities as the mortgage rights and therefore qualify in respect of Mortgage Receivables originated prior to 8 September 2005 as a credit pledge (and together with the Credit Mortgage, the '**Credit Security Rights**') and, as the case may be, in respect of Mortgage Receivables originated after 8 September 2005, as a bank pledge (and together with the Bank Mortgage, the '**Bank Security Rights**' and together with the Credit Security Rights, '**Security Rights**').

The forms of mortgage deed used in respect of Mortgage Receivables originated prior to 8 September 2005 does not provide that in case of assignment or pledge of the receivable the rights of pledge will (partially) follow the receivable. Therefore, there is no clear indication of the intention of the parties. The Issuer has been advised that also in such case the rights of pledge should (partially) follow the receivable as accessory and ancillary right upon its assignment, but that there is no case law explicitly supporting this advice and that, consequently, it is not certain what the Dutch courts would decide if this matter were to be submitted to them, particularly taking into account the prevailing view of Dutch legal commentators on Bank Security Rights in the past as described above, which view continues to be defended by some legal commentators. The form of mortgage deed used in respect of receivable originated after 8 September 2005 provides that also in case of assignment or pledge of the receivable the rights of pledge will (partially) follow the receivable if it is assigned or pledged (see the paragraph above with respect to the mortgage rights following the Mortgage Receivable upon assignment or pledge).

Risk related to co-owned Bank Security Rights by the Seller, the Issuer and the Security Trustee

If the Credit Security Rights have (partially) followed the Mortgage Receivables upon their assignment, the Security Rights would probably be co-owned by the Issuer and the Seller and would secure both the Mortgage Receivables held by the Issuer (or the Security Trustee, as pledgee) and any claims held by the Seller (the '**Other Claims**'). In that case, the rules applicable to co-ownership ("*gemeenschap*") apply. The Dutch Civil Code provides for various mandatory rules which apply to such co-owned rights. In the Mortgage Receivables Purchase Agreement the Seller, the Issuer and the Security Trustee will agree that the Issuer and/or the Security Trustee (as applicable) will manage and administer such co-owned rights. Certain acts, including acts concerning the day-to-day management ("*beheer*") of the co-owned rights, may under Dutch law be transacted by each of the participants ("*deelgenoten*") in the co-owned rights. It is uncertain whether the foreclosure of the security rights will be considered as day-to-day management, and, consequently, whether the consent of the Seller's bankruptcy trustee (in case of bankruptcy) or administrator (in case of suspension of payments) may be required for such foreclosure.

On the basis of the Dutch Civil Code the shares of the co-owners in a community are equal, unless their legal relationship provides otherwise. The mortgage deeds used in respect of Mortgage Receivables originated prior to 8 September 2005 did not contain any arrangement in this respect. However, the form of mortgage deed used in respect of Mortgage Receivables originated after 8 September 2005 provides that each holder of a share in the co-owned security rights is entitled to a *pro rata* share of the proceeds of the security rights. The Seller, the Issuer and/or the Security Trustee (as applicable) will agree in the Mortgage Receivables Purchase Agreement that in case of foreclosure the share ("*aandeel*") in each co-owned security interest of the Security Trustee and/or the Issuer will be equal to the Outstanding Principal Amount of the Mortgage Receivables, increased with interest and costs, if any, and the Seller's share will be equal to the Net Proceeds less the Outstanding Principal Amount in respect of the Mortgage Receivables, increased with interest and costs, if any. It is uncertain whether this arrangement will be enforceable against the Seller or, in case of bankruptcy or (preliminary) suspension of payments, the trustee or receiver. In this respect it will be agreed that in case of a breach by the Seller of its obligations in respect of this arrangement or if such arrangement is dissolved, declared void, nullified or ineffective for any reason in respect of the Seller, the Seller shall compensate the Issuer and/or the Security Trustee (as applicable) forthwith for any and all loss, cost, claim, damage and expense whatsoever which the Issuer and/or the Security Trustee (as applicable) incurs as a result thereof. Receipt of such amount by the Issuer and/or the Security Trustee is subject to the ability of the Seller to actually make such payments. Furthermore it is noted that this arrangement may not be effective against the Borrower in respect of Mortgage Receivables originated prior to 8 September 2005 and will not be effective against the Borrower in respect of Mortgage Receivables originated after 8 September 2005, as the form of mortgage deed used stipulates that the shares of the Seller and any assignee respectively will be *pro rata* the size of the claim they have against the Borrower.

If (a trustee or administrator of) the Seller would, notwithstanding the arrangement set out above, enforce the co-owned Security Rights securing the Mortgage Receivables, the Issuer and/or the Security Trustee would have a claim against the Seller (or, as the case may be, its bankruptcy estate) for any damages as a result of a breach of the contractual arrangements, but such claim would be unsecured and non-preferred. In view hereof, the Seller will represent and warrant that on the Cut-Off Date it had no Other Claims and it will undertake in the Mortgage Receivables Purchase Agreement that, until the Notes have been redeemed in accordance with the Conditions and the Issuer has no further obligation under any of the other Relevant Documents, it will repurchase and accept re-assignment of a Mortgage Receivable, if it obtains an Other Claim, including resulting from a Further Advance.

Risks related to Insurance Policies connected to the Mortgage Receivables

The Life Mortgage Loans and the Savings Mortgage Loans have the benefit of Life Insurance Policies and Savings Insurance Policies respectively (together the **'Insurance Policies'**). The Life Insurance Policies are entered into by the relevant Borrowers and the relevant Life Insurance Company or Savings Insurance Company. The Savings Insurance Policies are entered into by the relevant Borrowers and the Savings Insurance Company. In this paragraph, certain legal issues relating to the effects of the assignment of the Life Mortgage Receivables and Savings Mortgage Receivables on the Insurance Policies are set out. Investors should be aware that (i) the Issuer may not benefit from the Insurance Policies and/or (ii) the Issuer may not be able to recover any amounts from the Borrower in case the relevant Insurance Company defaults in its obligations as further described in this paragraph. As a consequence thereof the Issuer may not have a claim on the Borrower and may, therefore, not have the benefit of the mortgage right. In such case the rights of the Security Trustee will be similarly affected. Due to the dependency on the performance by in particular the Savings Insurance Company of its obligations under the Insurance Policies, a deterioration of the credit quality of the Savings Insurance Company might have an adverse effect on the ratings of the Notes.

Risk that the Borrower Insurance Pledge, the Borrower Investment Pledge and the Borrower Bank Savings Deposit Pledge will not be effective

All rights of a Borrower under the Insurance Policies have been pledged to the Seller (the **'Borrower Insurance Pledge'**). The Issuer has been advised that it is probable that the right to receive payment, including the commutation payment ("*afkoopsom*") under the Insurance Policies will be regarded by a Dutch court as a future right. The pledge of a future right is under Dutch law not effective if the pledgor is declared bankrupt or is granted a suspension of payments or been made subject to a debt restructuring scheme pursuant to the Dutch Bankruptcy Code, prior to the moment such right coming into existence. Consequently, it is uncertain whether such right of pledge will be effective. If the Borrower Insurance Pledge is effective, reference is made to *Risk that the Security Rights do not follow the Mortgage Receivables upon assignment to the Issuer* above in respect of the issue whether such right of pledge would pass to the Issuer or, as the case may be, the Security Trustee upon the assignment or pledge of the Mortgage Receivables. The same applies to any rights of pledge on the rights of the relevant Borrower in connection with the Investment Accounts to the extent the rights of the Borrower qualify as future claims, such as options ("*opties*") (the **'Borrower Investment Pledge'**) and any rights of pledge on the rights of the relevant Borrower in connection with the Bank Savings Accounts (the **'Borrower Bank Savings Deposit Pledge'**).

Risks relating to Beneficiary Rights under the Insurance Policies

The Seller has been appointed by the Borrower or, as the case may be, has appointed itself (if necessary, irrevocably authorised by the relevant Borrower) as beneficiary under the Insurance Policies (i) in respect of mortgage deeds until 8 September 2005, up to the full amount owed by the Borrower and (ii) in respect of mortgage deeds after 8 September 2005, up to the full amount of the claim of the Seller at the time the insurance proceeds are due and payable (the **'Beneficiary Rights'**). However, any other appointment of a beneficiary by the Borrower will remain in force and will prevail to the extent it relates to insurance proceeds which will become payable upon the death of the insured but prior to the expiration date of the policy, provided that the relevant Insurance Company is authorised by such beneficiary to apply towards the Seller the insurance proceeds in satisfaction of the relevant Mortgage Receivable (the **'Borrower Insurance Proceeds Instruction'**). The Issuer has been advised that it is unlikely that the appointment of the Seller as beneficiary will be regarded as an ancillary right and that it will follow the Mortgage Receivables upon assignment or pledge thereof to the Issuer or the Security Trustee. Therefore, the Beneficiary Rights will be, to the extent legally possible and required, assigned by the Seller to the Issuer and will subsequently be pledged to the Security Trustee by the Issuer (see the section *Description of Security* below). However, the Issuer has been advised that it is uncertain whether this assignment and pledge will be effective.

In view hereof, the Issuer and the Security Trustee will enter into a beneficiary waiver agreement (the '**Beneficiary Waiver Agreement**') with the Seller and the Savings Insurance Company. Under the Beneficiary Waiver Agreement, the Seller, without prejudice to the rights of the Issuer as assignee and the rights of the Security Trustee as pledgee and subject to the condition precedent of the occurrence of a Notification Event waives its rights as beneficiary under the Insurance Policies with the Savings Insurance Company and appoints as first beneficiary up to the relevant Outstanding Principal Amount of the relevant Mortgage Receivable (i) the Issuer subject to the dissolving condition ("*ontbindende voorwaarde*") of a Trustee Notification Event and (ii) the Security Trustee under the condition precedent ("*opschortende voorwaarde*") of the occurrence of a Trustee Notification Event. It is, however, uncertain whether such waiver will be effective and unlikely that such appointment will be effective.

For the event that such waiver and appointment are not effective, the Seller and the Savings Insurance Company (but only in respect of Insurance Policies with the Savings Insurance Company) will in the Beneficiary Waiver Agreement undertake that they will use their best efforts upon the occurrence of a Notification Event to terminate the appointment of the Seller as beneficiary under the Insurance Policies and to appoint as first beneficiary under the Insurance Policies up to the relevant Outstanding Principal Amount of the relevant Mortgage Receivable (i) the Issuer subject to the dissolving condition ("*ontbindende voorwaarde*") of a Trustee Notification Event and (ii) the Security Trustee under the condition precedent ("*opschortende voorwaarde*") of the occurrence of a Trustee Notification Event.

For the event that a Borrower Insurance Proceeds Instruction has been given, the Seller and the Savings Insurance Company (but only in respect of Insurance Policies with the Savings Insurance Company) will in the Beneficiary Waiver Agreement undertake to use their best efforts following a Notification Event to withdraw the Borrower Insurance Proceeds Instruction in favour of the Seller and to issue such instruction up to the relevant Outstanding Principal Amount of the relevant Mortgage Receivable in favour of (i) the Issuer subject to the dissolving condition of a Trustee Notification Event and (ii) the Security Trustee under the condition precedent of the occurrence of a Trustee Notification Event.

The termination and appointment of a beneficiary under the Insurance Policies and the withdrawal and the issue of the Borrower Insurance Proceeds Instruction will require the co-operation of all relevant parties involved, including the relevant Life Insurance Company. It is uncertain whether such co-operation will be forthcoming.

If the Issuer or the Security Trustee, as the case may be, has not become beneficiary of the Insurance Policies or the assignment and pledge of the Beneficiary Rights is not effective, any proceeds under the Insurance Policies will be payable to the Seller or to another beneficiary rather than to the Issuer or the Security Trustee, as the case may be, up to the amount of any claims the Seller may have on the relevant Borrower. If the proceeds are paid to the Seller, it will, pursuant to the Mortgage Receivables Purchase Agreement, be obliged to pay the amount involved to the Issuer or the Security Trustee, as the case may be. If the proceeds are paid to the Seller and the Seller does not pay such amount to the Issuer or the Security Trustee, as the case may be, e.g. in case of bankruptcy or suspension of payments of the Seller, or if the proceeds are paid to another beneficiary instead of the Issuer or the Security Trustee, as the case may be, this may result in the amount paid under the Insurance Policies not being applied in reduction of the relevant Mortgage Receivables. This may lead to the Borrower invoking set-off or defences against the Issuer or, as the case may be, the Security Trustee for the amounts so received by the Seller or another beneficiary, as the case may be. See risk factor *Risk of set-off or defences in case of insolvency of any of the Insurance Companies*, which may adversely affect the payment of the Notes.

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

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

As set out in *Set-off by Borrowers may affect the proceeds under the Mortgage Receivables* above, the mortgage conditions provide for a waiver by the Borrowers of their set-off rights. It is, however, uncertain whether such waiver is effective. If the waiver is not effective, the Borrowers will, in order to invoke a right of set-off, need to comply with the applicable legal requirements in order to invoke a right of set-off. One of these requirements is that the Borrower should have a claim which corresponds to its debt to the same counterparty. The Insurance

Policies are contracts between any of the Insurance Companies and the Borrowers on the one hand and the Mortgage Receivables are claims of the Seller on the relevant Borrower on the other hand. Therefore, in order to invoke a right of set-off the Borrowers would have to establish that the Seller and the relevant Insurance Company should be regarded as one legal entity or, based upon interpretation of case law, that possibly set-off is allowed, even if the Seller and the relevant Insurance Company are not considered as one legal entity, since the relevant Insurance Policy and the relevant Mortgage Loan are to be regarded as one interrelated relationship.

Furthermore, the Borrowers must have a counterclaim that is due and payable. If any of the Insurance Companies is declared bankrupt or subject to emergency regulations, the Borrower will have the right to unilaterally terminate the Insurance Policy and to receive a commutation payment ("*afkoopsom*"). These rights are subject to the Borrower Insurance Pledge subject to, however, what is stated above, under *Risk that the Borrower Insurance Pledge, the Borrower Investment Pledge and the Borrower Bank Savings Deposit Pledge will not be effective*. However, despite this right of pledge, it could be argued that the Borrower will on this basis not be entitled to invoke a right of set-off for the commutation payment. Apart from the right to terminate the Insurance Policies, the Borrowers are also likely to have the right to dissolve the Insurance Policies and to claim restitution of premiums paid and/or supplementary damages. It is uncertain whether such claim is subject to the Borrower Insurance Pledge. If not, the Borrower Insurance Pledge would not obstruct a right of set-off with such claim by Borrowers.

Finally, set-off vis-à-vis the Issuer and/or the Security Trustee after notification of the assignment and/or pledge would be subject to the additional requirements for set-off being met (see paragraph *Set-off* above). If the Mortgage Loan and the Insurance Policy will be regarded as one and the same relationship, the fact that the Mortgage Receivable is assigned to the Issuer and/or pledged to the Security Trustee is not likely to interfere with such set-off (see *Set-off by Borrowers may affect the proceeds under the Mortgage Receivables* above).

Even if the Borrowers cannot invoke a right of set-off, they may invoke defences vis-à-vis the Seller, the Issuer and/or the Security Trustee, as the case may be. The Borrowers will naturally have all defences afforded by Dutch law to debtors in general. A specific defence one could think of would be based upon interpretation of the mortgage documentation and the promotional materials. Borrowers could argue that the Mortgage Loan and the relevant Insurance Policy are to be regarded as one interrelated legal relationship and could, on this basis, claim a right of annulment or dissolution of the Mortgage Loans or possibly suspension of their obligations thereunder. The Borrowers could also argue that it was the intention of the parties involved or that they could at least rightfully interpret the mortgage documentation and the promotional materials in such manner that the Mortgage Receivable would be (fully or partially) repaid by means of the proceeds of the Insurance Policy and that, failing such proceeds being so applied, the Borrower is not obliged to repay the (corresponding) part of the Mortgage Receivable. Also, Borrowers could argue that it is contrary to principles of reasonableness and fairness ("*redelijkheid en billijkheid*") for the Borrower to be obliged to repay the Mortgage Receivable to the extent that it has failed to receive the proceeds of the Insurance Policy. The Borrower could also base a defence on "error" ("*dwalings*"), i.e. that the Mortgage Loan and the Insurance Policies would be entered into as a result of "error". If this defence would be successful, this could lead to annulment of the Mortgage Loan, which would have the result that the Issuer no longer holds the Mortgage Receivable.

Set-off or defences regarding Life Mortgage Loans, other than Life Mortgage Loans with the option of a Savings Element

In respect of Life Mortgage Loans with Life Insurance Policies taken out by a Borrower with a Life Insurance Company, the Issuer has been advised that if (i) there is no connection, whether from a legal or a commercial point of view, between the Life Mortgage Loan and the relevant Life Insurance Policy other than a Borrower Insurance Pledge granted on the rights under such policy in favour of the Seller, (ii) the Mortgage Loan and the Life Insurance Policy are not offered as one product or under one name and (iii) the Borrowers are free to enter into a life insurance policy with any insurance company and (iv) none of the Life Insurance Companies is a group entity (within the meaning of article 2:24b of the Dutch Civil Code) of the Seller, it is unlikely that a court would honour set-off defences of the Borrowers. However, should any of the aforementioned elements under (i) up to and including (iv) not be met, the Issuer has been advised that the risk will be higher.

In respect of Life Mortgage Loans between the Seller and a Borrower with a Life Insurance Policy between the Savings Insurance Company and such Borrower, whereby the other elements set out above are met, the Issuer has been advised that the possibility cannot be disregarded ("*kan niet worden uitgesloten*") that the courts will honour set-off or defences of Borrowers if in case of bankruptcy or emergency regulations of the Savings

Insurance Company the Borrowers/insured will not be able to recover their claims under their Life Insurance Policies. However, it should be noted that this will depend on the factual circumstances at the time of origination of such Life Mortgage Loans (excluding the Life Mortgage Loans with the option of a Savings Element). If the Life Mortgage Loans to which Life Insurance Policies with the Savings Insurance Company is connected are marketed as a package offered as one product under one name and without clear distinction being made between the Seller as provider of the Life Mortgage Loans and the Savings Insurance Company as insurer under the Life Insurance Policies, which may, as the Issuer has been informed, be the case, the Issuer has been advised that the possibility can certainly not be disregarded ("*kan zeker niet worden uitgesloten*") that the courts will honour set-off or defences by Borrowers, as described above, if in case of bankruptcy or emergency regulations of the Savings Insurance Company the Borrowers/insured will not be able to recover their claims under their Life Insurance Policies, but this will depend on the factual circumstances at the time of origination of such Life Mortgage Loans, other than the Life Mortgage Loans with the possibility of a Savings Element.

Set-off or defences regarding Savings Mortgage Loans and Life Mortgage Loans with the option of a Savings Element

In respect of (i) Savings Mortgage Loans and Life Mortgage Loans with the option of a Savings Element between the Seller and a Borrower with a Savings Insurance Policy and (ii) Life Insurance Policies with the option of the Savings Alternative between the Savings Insurance Company and such Borrower, the Issuer has been advised that in view, *inter alia*, of the close connection between (i) the Savings Mortgage Loan and the Savings Insurance Policy and the Life Mortgage Loan with the option of a Savings Element or (ii) the Life Insurance Policies with the option of the Savings Alternative, there is a considerable risk (*'een aanmerkelijk risico'*) that such a set off or defence would be successful. In view hereof, on the Closing Date, the Savings Insurance Sub-Participation Agreement will be entered into between the Issuer, the Security Trustee, the Seller and the Savings Insurance Company. All Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element will be subject to the Savings Insurance Sub-Participation Agreement.

Moreover, the Savings Insurance Sub-Participation Agreement will provide that if (i) in respect of a Savings Mortgage Loan and Life Mortgage Loan with a Savings Element, a Borrower invokes a defence, including but not limited to a right of set-off or counterclaim against any person in respect of such Savings Mortgage Loan or the Life Mortgage Loan with a Savings Element or if, for whatever reason, the Savings Insurance Company does not pay the insurance proceeds when due and payable, whether in full or in part, under the relevant Savings Insurance Policy or Life Insurance Policy with the Savings Alternative and (ii) the Seller fails to pay any amount due by it to the Issuer pursuant to the Mortgage Receivables Purchase Agreement in respect of a Savings Mortgage Receivable or a Life Mortgage Receivable with a Savings Element, and, as a consequence thereof, the Issuer will not have received any amount which was outstanding prior to such event in respect of such Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element, the Savings Insurance Participation of the Savings Insurance Company in respect of such Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element will be reduced by an amount equal to the amount which the Issuer has failed to receive as a result of such defence or default to pay. The amount of the Savings Insurance Participation is equal to the amount of Savings Premia received by the Issuer plus the accrued yield on such amount (see *Sub-Participation Agreements* below), provided that the Savings Insurance Company will have paid all Savings Premia received from the relevant Borrowers to the Issuer. Therefore, normally the Issuer would not suffer any damages if the Borrower would invoke any such right of set-off or defences, if and to the extent that the amount for which the Borrower would invoke set-off or defence does not exceed the amount of the relevant Savings Insurance Participation. The amount for which the Borrower can invoke set-off or defences may, depending on the circumstances, exceed the amount of the relevant Savings Insurance Participation.

The Savings Insurance Sub-Participation Agreement does not apply to Life Mortgage Loans to which a Life Insurance Policy with a Unit-Linked Alternative is connected.

Risk of set-off or defences in case of Mortgage Receivables resulting from Bank Savings Mortgage Loans

Each Bank Savings Mortgage Loan has the benefit of the balance standing to the credit of the relevant Bank Savings Account which is held with the Bank Savings Participant. In respect of the balances standing to the credit of the Bank Savings Account, it is the intention that at the maturity of the relevant Bank Savings Mortgage Loan, such balances will be used to repay the relevant Bank Savings Mortgage Loan, whether in full or in part. If the Bank Savings Participant is no longer able to meet its obligations in respect of the relevant Bank Savings Account, for example as a result of bankruptcy, this could result in the balance standing to the credit of the relevant Bank Savings Account either not, or only partly, being available for application in reduction of the Mortgage Receivable resulting from the relevant Bank Savings Mortgage Loan. This may lead to the Borrower trying to invoke set-off rights and defences against the Seller, the Issuer or the Security Trustee, as the case may

be, which may result in the Mortgage Receivables being, fully or partially, extinguished ("*tenietgaan*") or not being recovered for other reasons, which could lead to losses under the Notes.

The analysis for such set-off or defences by Borrowers is similar to the risk described in *Risk of set-off or defences in case of insolvency of Insurance Companies* above under the sub header *Set-off or defences regarding Savings Mortgage Loans and Life Mortgage Loans with the option of a Savings Element* and, consequently, in our opinion there is a considerable risk ("*een aanmerkelijk risico*") that such a set off or defence would be successful. In view hereof, on the Closing Date, the Bank Savings Sub-Participation Agreement will be entered into, which will be materially in the same form as the Savings Insurance Sub-Participation Agreement as described in *Set-off or defences regarding Savings Mortgage Loans and Life Mortgage Loans with the option of a Savings Element* above, except that the Bank Savings Sub-Participation Agreement is entered into between the Issuer, the Security Trustee and the Bank Savings Participant (see also *Sub-Participation Agreements* below). Therefore, normally the Issuer would not suffer any damages if the Borrower would invoke any such right of set-off or defences, if and to the extent that the amount for which the Borrower would invoke set-off or defence does not exceed the amount of the relevant Bank Savings Participation. The amount for which the Borrower can invoke set-off or defences may, depending on the circumstances, exceed the amount of the relevant Bank Savings Participation.

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

The Seller has represented that under the investment mortgage loans ("*beleggingshypotheken*") (the '**Investment Mortgage Loans**'), the securities are purchased on behalf of the relevant Borrower by the Seller for the account of the Borrowers and these securities are held in custody by an admitted institution of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. in accordance with the Securities Giro Act ("*Wet Giraal Effectenverkeer*", the '**Wge**') or, if they do not qualify as such, by a separate depository vehicle in accordance with Section 6:18 of the Further Regulation on Conduct Supervision of Financial Enterprises ("*Nadere regeling gedragstoezicht financiële ondernemingen Wft*"). However, if this is not the case and the investments were to be lost, this may lead to the Borrowers trying to invoke set-off rights or defences against the Issuer on similar grounds as discussed under *Risk of set-off and defences by Borrowers in case of insolvency of any of the Insurance Companies* below and *Risks related to offering of Investment Mortgage Loans and Life Insurance Policies*.

Risks related to investment advice

In the case of Investment Mortgage Loans, certain services, for example investment advice to the Borrowers, are provided for which the Seller may be responsible or held liable. A Borrower may hold the Seller liable for any damages if it does not meet its obligations towards such Borrower, including its services as investment adviser. In particular liability could arise if the value of the Investment Portfolio is not sufficient to repay the Investment Mortgage Loan at maturity. This may lead to set-off by the Borrower under the Mortgage Receivable (see *Set-off by Borrowers may affect the proceeds under the Mortgage Receivables*) and thus to losses under the Notes.

Risks related to Construction Amounts

Pursuant to the Mortgage Conditions, the Borrowers have the right to request to withhold the Construction Amount to be paid out if certain conditions are met. The aggregate amount of the Construction Amounts on (the opening of business of) 31 October 2009 (the '**Cut-off Date**') is euro 8,144,894. The Issuer and the Seller will agree in the Mortgage Receivables Purchase Agreement that the Issuer is entitled to withhold from the Initial Purchase Price an amount equal to such aggregate Construction Amount. Such amount will be deposited on the Construction Account. On each Mortgage Payment Date the Issuer will release from the Construction Account such part of the Initial Purchase Price which equals the difference between the aggregate Construction Amount and the balance standing to the credit of the Construction Account and pay such amount to the Seller.

Pursuant to the Mortgage Conditions, Construction Amounts have to be paid out within 12 or 24 months after the relevant Mortgage Loan has been granted. However, the Seller may agree with a Borrower to extend the period up to a maximum of 18 or 30 months. Upon the expiry of such period, any remaining Construction Amount will either (i) be paid out by the Seller to the relevant Borrower and consequently the remaining part of the Initial Purchase Price will be paid by the Issuer to the Seller or (ii) if the Construction Amount exceeds EUR 7,500, be set-off against the relevant Mortgage Receivable up to the amount of the Construction Amount, in which case the Issuer shall have no further obligation towards the Seller to pay the remaining part of the Initial Purchase Price, and consequently any remaining part of the Construction Amount will be transferred to the Issuer Collection Account and will form part of the Notes Redemption Available Amount. If any of the events set forth in items (d) and (e) of the definition of the Notification Events has occurred, the Issuer will no longer be under the obligation to pay such remaining part of the Initial Purchase Price. The amount for which the Borrower can

invoke set-off or defences may, depending on the circumstances, exceed the amount of the Construction Amount.

Under Dutch law the distinction between 'existing' ("*bestaande*") receivables and 'future' ("*toekomstige*") receivables is relevant. If receivables are to be regarded as future receivables, an assignment and/or pledge thereof will not be effective to the extent the receivable comes into existence after or on the date on which the assignor or, as the case may be, the pledgor has been declared bankrupt or granted a suspension of payments (emergency regulations). If, however, receivables are to be considered as existing receivables, the assignment and/or pledge thereof are not affected by the bankruptcy or suspension of payments (emergency regulations) of the assignor/pledgor. The Issuer has been advised that based on case law and legal literature uncertainty remains whether on the basis of the applicable terms and conditions the part of the Mortgage Receivables relating to the Construction Amount are considered to be existing receivables. It could be argued that such part of the Mortgage Loan concerned comes into existence only when and to the extent the Construction Amount is paid out. If the part of the Mortgage Receivable relating to the Construction Amount is to be regarded as a future receivable, the assignment and/or pledge of such part will not be effective if the Construction Amount is paid out on or after the date on which the Seller is declared bankrupt or is granted a suspension of payments. In that event, the Issuer will have no further obligation to pay to the Seller the remaining part of the Initial Purchase Price.

Risk related to the value of investments under Life Insurance Policies

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

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

Apart from the general obligation of contracting parties to provide information, there are several provisions of Netherlands law applicable to offerors of financial products, such as Investment Mortgage Loans and Mortgage Loans to which Life Insurance Policies are attached. In addition, several codes of conduct apply on a voluntary basis. On the basis of these provisions, offerors of these products and intermediaries in these products have a duty, *inter alia*, to provide customers with accurate, complete and non-misleading information about the product, the costs and the risks involved. These requirements have become more strict over time. A breach of these requirements may lead to a claim for damages from a Borrower on the basis of breach of contract or tort. In addition the relevant contract may be dissolved ("*ontbonden*") or nullified or a Borrower may claim set-off or defences against the Seller or the Issuer (or the Security Trustee). The merits of such claims will, to a large extent, depend on the manner in which the product was marketed and the promotional material provided to the Borrower. Depending on the relationship between the offeror and any intermediary involved in the marketing and sale of the product, the offeror may be liable for actions of the intermediaries which have led to a claim. The offeror may be held liable for the advice given by an intermediary, even though the offeror has no control over the intermediary. The risk of such claims being made increases if the value of investments made under Life Insurance Policies or the Investment Mortgage Loans is not sufficient to redeem the relevant Mortgage Receivables.

With respect to these risks, the Seller has informed the Issuer as follows. On the topic of transparency (particularly with respect to costs) of unit-linked insurance policies (such as part of the Life Insurance Policies) there recently has been public debate and investigation relating to (individual) unit-linked insurance policies. Unit-linked insurance products were developed and launched in the 1990s when stock markets – compared with stock prices in the past – were strong and continuing to grow. With unit-linked insurance products, gains in securities markets benefited the policyholder and as such were very popular. However, as markets began to stagnate and decline beginning in 2007, unit-linked insurance products became less attractive compared with traditional life insurance as lower returns were passed on to policyholders. In September 2006, a large group of policyholders and consumer organisations began to investigate the lack of transparency of the structure of these contracts (particularly in respect of costs). A mediation process initiated by the AFM at the beginning of 2007 led to the recommendation in March 2008 that Dutch insurers compensate customers for excessive costs, and that insurers retroactively cap the costs of the policies.

As a result of the AFM investigation and complaints from consumer groups, the Group, thus including Delta Lloyd Life, sought to reach an out-of-court settlement of these complaints. In September 2008, the Group became the first Dutch insurer to reach an agreement with consumer organisations on compensation for policyholders of individual unit-linked products. The Group will give effect to this agreement in its payouts at the end of the term of the existing policies. Individual policyholders are not bound by the agreement. Any of

them could still decide to sue and claim a higher amount from Delta Lloyd Life if they disagree with the agreement or with the way the Group has given or will give effect to it.

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

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

Risk that interest rate reset rights will not follow Mortgage Receivables

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

Risk that the mortgage rights on long lease cease to exist

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

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

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

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

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

on the house prices and the rate of recovery and, depending on the changes in treatment of existing mortgage loans, may result in an increase of defaults, prepayments and repayments.

The Seller and the Bka (*Decree on Credit Offerings*)

With respect to Mortgage Loans originated prior to 1 January 2006, to which an Insurance Policy is connected the following may be relevant.

Until 1 January 2006 the Bka ("*Besluit Kredietaanbiedingen*", '**Bka**') applied. The Bka contained further regulations pursuant to the Act on the Consumer Credit ("*Wet Consumentenkrediet*"), applicable to the granting of credit to natural persons (consumers). It is the general prevailing view in the market that the provisions in the Bka obliging a lender to make a prospectus available containing information on several aspects of the loan products offered by such lender, were not applicable to the offering of mortgage loans. The aspects on which a borrower needed to be informed included that, if in connection with such loan, he was obliged to enter into another agreement in addition thereto, he was free to choose the counterparty to this other agreement.

The general prevailing view is based on the following arguments:

- the Minister of Finance has taken the same view when answering questions in Parliament on this subject; and
- this view is supported by the texts of the predecessors of the Bka in this respect, Section 36 of the Decree on Financial Services ("*Besluit financiële dienstverlening*"), which entered into force on 1 January 2006 and Section 111 of the Decree on Conduct Supervision Financial Undertakings AFS ("*Besluit gedragstoezicht financiële ondernemingen Wft*"), which entered into force on 1 January 2007, both of which contain an exemption for a mortgage loan provider to make a credit prospectus available.

However, from the legal history of the provisions laid down in the Bka it may be derived that the duties to inform the borrower were also applicable to the offering of mortgage loans. If this view were to be followed by the court, the Seller may not have complied with several statutory information requirements, among which the requirement to inform the Borrowers in respect of a Mortgage Loan to which an Insurance Policy is connected that he was free to choose the relevant insurance company. The Issuer has been advised that not complying with these requirements as such will not result in the mortgage loan or the insurance policy being void or voidable, but could result in claims based on error ("*dwalings*") or tort ("*onrechtmatige daad*").

A claim for damages may result in set off against the relevant Mortgage Receivable (see *Set off by the Borrowers may affect the proceeds under the Mortgage Receivables* above). However, pursuant to the Mortgage Receivables Purchase Agreement the Seller has the obligation to repurchase the Mortgage Receivables in the event that, *inter alia*, a Borrower (i) invokes a defence based upon non-compliance by the Seller with the Decree on Credit Offerings and (ii) refuses to pay any amount due under the relevant Mortgage Loan as a consequence thereof. If the Seller would not repurchase such Mortgage Receivables in such circumstances this could lead to losses under the Notes.

Risk in respect of payments on the Mortgage Receivables which are subject to credit, liquidity and interest rate risks

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

Risks related to the NHG Guarantee

All Mortgage Receivables resulting from (or any loan parts forming part of a Mortgage Loan) which are stated to have the benefit of a guarantee under the "*Nationale Hypotheek Garantie*" (the '**NHG Guarantee** ') as set forth in the list of loans attached as Schedule 1 to the Mortgage Receivables Purchase Agreement (the '**NHG Mortgage Receivables**') will have the benefit of an NHG Guarantee. Pursuant to the terms and conditions ("*voorwaarden en normen*") of the NHG Guarantee the '*Stichting Waarborgfonds Eigen Woningen*' ('**WEW**') has no obligation to pay any loss (in whole or in part) incurred by a lender after a private or a forced sale of the mortgaged property if such lender has not complied with the terms and conditions of the NHG Guarantee. The Seller will on the Closing Date represent and warrant that (i) each NHG Guarantee connected to a Mortgage Loan constitutes legal, valid and binding obligations of the WEW, enforceable in accordance with its terms, (ii) all terms and conditions applicable to the NHG Guarantee at the time of origination of the Mortgage Loan were

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

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

Rating of the Dutch State

The rating of the Mortgage-Backed Notes by the Rating Agencies takes into account the NHG Guarantee granted in connection with each of the NHG Mortgage Loans. The NHG Guarantee is backed by the Dutch State (see the section *NHG Guarantee Programme*) which is currently rated 'Aaa' by Moody's, 'AAA' by S&P and 'AAA' by Fitch Ratings Ltd ('Fitch'). In the event that the Netherlands State ceases to be rated 'Aaa' by Moody's, 'AAA' by S&P and/or 'AAA' by Fitch, this may result in a review by the Rating Agencies of the Mortgage-Backed Notes and could potentially result in a corresponding downgrade of the Mortgage-Backed Notes.

RISK FACTORS REGARDING THE NOTES

Risk that the Issuer will not exercise its right to redeem the Notes on an Optional Redemption Date

Although as a result of the increase in the margin payable in respect of the floating rate of interest on the Mortgage-Backed Notes, the Issuer will have an incentive to exercise its right to redeem the Mortgage-Backed Notes on the first Optional Redemption Date or on any Optional Redemption Date thereafter, there is no guarantee 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, subject to Condition 9(b), for example through a sale of Mortgage Receivables still outstanding at that time. The Issuer shall first offer such Mortgage Receivables for sale to the Seller. The Seller shall within a period of 15 business days after such notice inform the Issuer whether it wishes to repurchase the Mortgage Receivables. After such 15 business day period, the Issuer may offer such Mortgage Receivables for sale to any third party. The purchase price of the Mortgage Receivables will be calculated as described in *Sale of Mortgage Receivables* under *Credit Structure* below. However, there is no guarantee that such third party will be found to purchase the Mortgage Receivables.

The optional redemption feature of the Notes is likely to limit their market value. During any period when the Issuer may elect to redeem the Mortgage-Backed Notes on or after the first Optional Redemption Date, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to the first Optional Redemption Date.

Risk of early redemption as a result of Clean-Up Call Option, Regulatory Call Option and Redemption upon a Tax Change

Should the Seller exercise its Clean-Up Call Option or its Regulatory Call Option on any Monthly Payment Date, the Issuer will redeem the Mortgage-Backed Notes by applying the proceeds of the sale of the Mortgage Receivables towards redemption of the Notes in accordance with Condition 6(b) and subject to Condition 9(b) on such Monthly Payment Date, whether falling before or after the first Optional Redemption Date. The Issuer will have the option to redeem the Mortgage-Backed Notes upon the occurrence of a Tax Change in accordance with Condition 6(f) and subject to Condition 9(b). If the Issuer exercises any of such options, the Mortgage-Backed Notes will be redeemed prior to the Final Maturity Date.

The Subordinated Class F Notes will be subject to redemption in accordance with and subject to Condition 6(c) and Condition 9(b).

Risk related to prepayments in respect of the Mortgage Receivables

The maturity of the Notes of each Class will depend on, *inter alia*, the amount and timing of payment of principal (including full and partial prepayments, sale of the Mortgage Receivables by the Issuer, the Net

Proceeds upon enforcement of a Mortgage Receivable and repurchase by the Seller of Mortgage Receivables) on the Mortgage Loans. The rate of prepayment of Mortgage Loans is influenced by a wide variety of economic, social and other factors, including prevailing market interest rates, changes in tax law (including, but not limited to, amendments to mortgage interest tax deductibility), local and regional economic conditions and changes in Borrower's behaviour (including, but not limited to, home-owner mobility). There is no guarantee as to the level of prepayment that the Mortgage Receivables may experience, and variation in the rate of prepayments of principal in respect of the Mortgage Receivables may affect each Class of Notes differently.

The Classes of Notes other than the Senior Class A Notes bear greater risk than the Senior Class A Notes

The Classes of Notes, other than the Senior Class A Notes, are subordinated, meaning that Noteholders of any Classes of Notes with a lower payment priority bear a greater risk than any Class of Notes with a higher payment priority than such Class of Notes. To the extent set forth in Condition 9, payments on the Notes are subordinated as follows: (i) payments of principal and interest on the Mezzanine Class B Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, (ii) payments of principal and interest on the Mezzanine Class C Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes and the Mezzanine Class B Notes, (iii) payments of principal and interest on the Mezzanine Class D Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, the Mezzanine Class B Notes and the Mezzanine Class C Notes, (iv) payments of principal and interest on the Junior Class E Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes and the Mezzanine Class D Notes, (v) payments of principal and interest on the Subordinated Class F Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes and the Junior Class E Notes and limited as more fully described herein under *Credit Structure and Terms and Conditions of the Notes* below.

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

If, upon default by the Borrowers, the Issuer does not receive the full amount due in respect of such Mortgage Receivables from the Borrowers, Noteholders may receive by way of principal repayment on the Notes an amount less than the Principal Amount Outstanding 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 Monthly Payment Date, any such losses on the Mortgage Loans will be allocated as described in *Credit Structure* below.

Limited recourse of the Notes

Each of the Noteholders shall only have recourse in respect of any claim against the Issuer in accordance with the relevant priority of payments as set forth in this Prospectus and the Trust Deed. The Noteholders and the other Secured Parties shall not have recourse on any assets of the Issuer other than (i) the Mortgage Receivables and the Beneficiary Rights, (ii) the balance standing to the credit of the Transaction Accounts and (iii) the amounts received by the Issuer under the Relevant Documents. In the event that the Security in respect of the Notes has been fully enforced and the proceeds of such enforcement, after payment of all other claims ranking under the Trust Deed in priority to a Class of Notes are insufficient to pay in full all principal and interest and other amounts whatsoever due in respect of such Class of Notes, the Noteholders of the relevant Class of Notes shall have no further claim against the Issuer or the Security Trustee in respect of any such unpaid amounts.

After the delivery of an Enforcement Notice, the amounts to be received by each of the Noteholders are subject to the Priority of Payment upon Enforcement.

Proposed Changes to the Basel Capital Accord

On 26 June 2004, the Basel Committee on Banking Supervision published the text of the new capital accord under the title "Basel II: International Convergence of Capital Measurement and Capital Standards: a Revised Framework" ('**Basel II**'). Basel II, which places enhanced emphasis on market discipline and sensitivity to risk, serves as a basis for national and supra-national rulemaking and approval processes for credit institutions. Basel II has been put into effect for credit institutions in Europe via the recasting of a number of prior directives in a consolidating directive referred to as the Capital Requirements Directive. In October 2008, the European Commission adopted proposals to amend the Capital Requirements Directive in light of the financial crisis, which are expected to be implemented in 2010. Basel II, as published, will affect risk-weighting of the Notes for investors subject to the new framework following its implementation (whether via the Capital Requirements Directive or otherwise by non-EU regulators if not amended from its current form when or if implemented by non-EU regulators). Consequently, potential investors should consult their own advisers as to the consequences to and effect on them of the application of Basel II, as implemented by their own regulator, to their holding of any Notes. Neither the Issuer, the Arrangers and the Security Trustee nor any other party are responsible for informing Noteholders of the effects on the changes to risk-weighting which will result for investors from the adoption by their own regulator of Basel II (whether or not implemented by them in its current form or otherwise).

EU Savings Directive

The EU has adopted a Directive regarding the taxation of savings income. The Directive requires Member States to provide to the tax authorities of another Member State details of payments of interest and other similar income paid by a person to an individual or to certain other persons in another Member State, except that Belgium, Luxembourg and Austria will instead impose a withholding system for a transitional period unless during such period they elect otherwise. A number of third countries and territories including Switzerland have adopted similar measures to the Directive. On 13 November 2008 the European Commission published a proposal for amendments to the Directive, which included a number of suggested changes which, if implemented, would broaden the scope of the requirements described above. Prospective Noteholders who are in any doubt as to their position should consult their professional advisers.

Eurosystem eligibility of the Senior Class A Notes

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

Listing of the Notes

Application has been made for the Notes to be listed on Euronext Amsterdam on the Closing Date. However, there is no assurance that the Notes will be admitted to listing on Euronext Amsterdam.

Risk related to prepayment of the Notes

The average maturity of the Notes may be adversely affected by a higher or lower than anticipated rate of prepayments on the Mortgage Loans. See further *Risk related to prepayments on the Mortgage Loans* above.

Limited liquidity in the secondary mortgage-backed securities market

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

issuers of collateralised debt obligations and other similar entities that are currently experiencing funding difficulties could adversely affect an investor's ability to sell, and/or the price an investor receives for, the Notes in the secondary market.

The Notes may not be a suitable investment for all investors

The Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments but as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the investor's overall investment portfolio.

Potential investors in the Notes must therefore make an informed assessment of the Notes, based upon full knowledge and understanding of the facts and risks. A potential investor must determine the suitability of an investment in Notes in light of its own circumstances. In particular each potential investor should:

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

Notes in global form

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

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

Changes of law

The structure of the issue of the Notes and the rating which is to be assigned to the Mortgage-Backed Notes are based on the laws of the Netherlands in effect as at the date of this Prospectus. No assurance can be given as to

the impact of any possible change to laws of the Netherlands or administrative practice in the Netherlands after the date of this Prospectus.

Risks of Losses Associated with Declining Values of Mortgaged Assets

The security for the Notes created under the Trustee Receivables Pledge Agreement may be affected by, among other things, a decline in the value of the Mortgaged Assets. No assurance can be given that values of the Mortgaged Assets remained or will remain at the level at which they were on the date of origination of the related Mortgage Loans. In addition, a forced sale of the Mortgaged Assets may, compared to a private sale, result in a lower value of the Mortgaged Assets. A decline in value may result in losses to the Noteholders if such security is required to be enforced. The Seller will not be liable for any losses incurred by the Issuer in connection with the Mortgage Receivables.

Maturity Risk

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

No Gross-up for Taxes

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

Interest Rate Risk

The risk that the interest received on the Mortgage Receivables is not sufficient for the Issuer to pay the interest on the Mortgage-Backed Notes is mitigated by 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 be equal to 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 by 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 transfer its rights and obligations to another of its offices, branches, affiliates or any other person to avoid the relevant Tax Event.

The Swap Agreement will be terminable by one party if (i) an event of default (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 in relation to the Issuer in the Swap Agreement will be limited to (i) non-payment under the Swap Agreement, (ii) a merger or similar transaction with another entity or person without assumption of the Issuer's obligations under the Swap Agreement and (iii) insolvency events. The Swap Agreement will terminate automatically on the earlier of the Final Maturity Date and the date on which the relevant Classes of Mortgage-Backed Notes have been redeemed or written-off in full in accordance with the Conditions. If the Swap Agreement early 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 interest payments under the Mortgage-Backed Notes.

The interest on the Subordinated Class F Notes will not be hedged. The interest rate accrued on the Reserve Account will be not sufficient for the Issuer to pay interest of the Subordinated Class F Notes and it is not certain that the Notes Interest Available Amount will be sufficient to pay the accrued interest due on the Subordinated Class F Notes on a Monthly Payment Date.

Credit ratings may not reflect all risks

The rating of each Class of the Mortgage-Backed Notes addresses the assessment made by S&P and Moody's of the likelihood of full and timely payment of interest and ultimate payment of principal on or before the Final Maturity Date.

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

Due to the dependency on the performance of the relevant counterparties of their obligations in connection with this transaction, a deterioration of the credit quality of any of these counterparties (including a reduction in the credit rating of the Seller or any entity belonging to the same group as the Seller, the Floating Rate GIC Provider, the Swap Counterparty or the Liquidity Facility Provider, see above under *The Issuer has counterparty risk*) might have an adverse effect on the rating of one or all Classes of the Mortgage-Backed Notes.

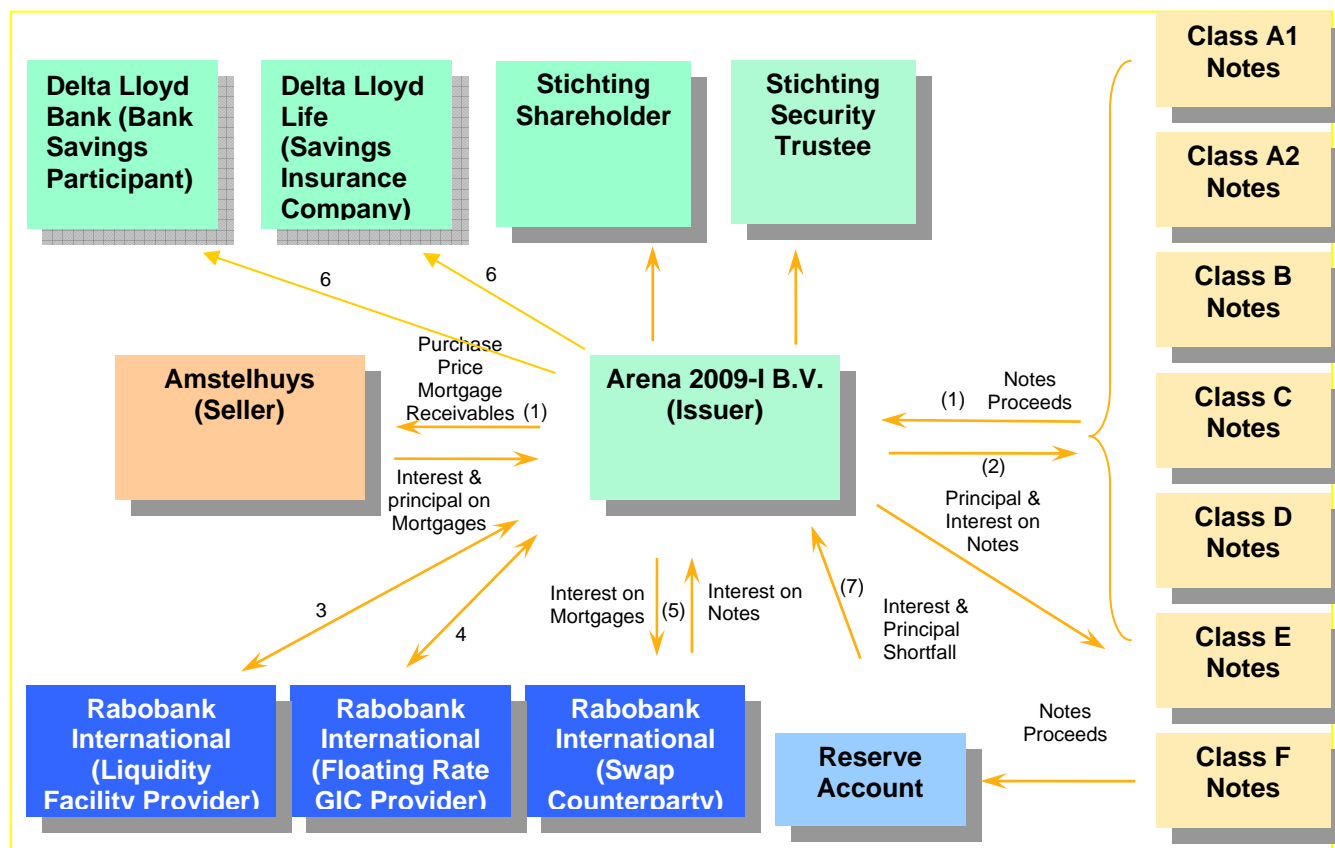
The Subordinated Class F Notes will not be rated.

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.

STRUCTURE DIAGRAM

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



OVERVIEW OF THE PARTIES AND PRINCIPAL FEATURES OF THE TRANSACTION

THE PARTIES:

Issuer:	Arena 2009-I B.V., incorporated under the laws of the Netherlands as a private company with limited liability (" <i>besloten vennootschap met beperkte aansprakelijkheid</i> ") under number B.V. 1573942 and registered with the Commercial Register of the Chamber of Commerce of Amsterdam under number 34365801. The entire issued share capital of the Issuer is owned by the Shareholder.
Seller:	Amstelhuys N.V. (' Amstelhuys '), incorporated under the laws of the Netherlands as a public company with limited liability (" <i>naamloze vennootschap</i> ").
Savings Insurance Company:	Delta Lloyd Levensverzekering N.V. (' Delta Lloyd Life ') incorporated under the laws of the Netherlands as a public company with limited liability.
Bank Savings Participant:	Delta Lloyd Bank N.V. (' Delta Lloyd Bank '), incorporated under the laws of the Netherlands as a public company with limited liability.
MPT Provider:	Delta Lloyd Bank. The MPT Provider will appoint Stater Nederland B.V., incorporated under the laws of the Netherlands as a private company with limited liability as its subagent to provide certain of the services.
Defaulted Loan Servicer:	Delta Lloyd Bank.
Issuer Administrator:	ATC Financial Services B.V., incorporated under the laws of the Netherlands as a private company with limited liability.
Subordinated Loan Provider:	Amstelhuys.
Security Trustee:	Stichting Security Trustee Arena 2009-I, 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.
Shareholder:	Stichting Arena Holding 2009-I, established under the laws of the Netherlands as a foundation and registered with the Commercial Register of the Chamber of Commerce of Amsterdam.
Directors:	ATC Management B.V., the sole director of the Issuer and the Shareholder and ANT Securitisation Services B.V., the sole director of the Security Trustee.
Liquidity Facility Provider:	Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., established under the laws of the Netherlands as a cooperation (" <i>coöperatie</i> ") (" Rabobank International ").
Swap Counterparty:	Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., established under the laws of the Netherlands as a cooperation (" <i>coöperatie</i> "), acting through its London branch (" Rabobank ").

International, London Branch ").

Floating Rate GIC Provider: Rabobank International.

Paying Agent: ABN AMRO Bank N.V. ("**ABN AMRO**"), incorporated under the laws of the Netherlands as a public company with limited liability ("*naamloze vennootschap*").

Reference Agent: ABN AMRO.

Listing Agent: ABN AMRO.

Managers: Natixis, incorporated under the laws of France as a *société anonyme* ("**Natixis**"), Rabobank International and The Royal Bank of Scotland plc, incorporated under the laws of Scotland as a public limited liability company ("**The Royal Bank of Scotland plc**"),

Arrangers: Natixis, Rabobank International, The Royal Bank of Scotland plc.

PRINCIPAL FEATURES OF THE TRANSACTION

THE NOTES:

Notes:

The euro 189,000,000 floating rate Senior Class A1 Mortgage-Backed Notes 2009 due 2041 (the '**Senior Class A1 Notes**'), the euro 643,500,000 floating rate Senior Class A2 Mortgage-Backed Notes 2009 due 2041 (the '**Senior Class A2 Notes**'), and together with the Senior Class A1 Notes, the '**Senior Class A Notes**'), the euro 23,400,000 floating rate Mezzanine Class B Mortgage-Backed Notes 2009 due 2041 (the '**Mezzanine Class B Notes**'), the euro 20,700,000 floating rate Mezzanine Class C Mortgage-Backed Notes 2009 due 2041 (the '**Mezzanine Class C Notes**'), the euro 18,000,000 floating rate Mezzanine Class D Mortgage-Backed Notes 2009 due 2041 (the '**Mezzanine Class D Notes**'), the euro 5,400,000 floating rate Junior Class E Mortgage-Backed Notes 2009 due 2041 (the '**Junior Class E Notes**') and together with the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes and the Mezzanine Class D Notes, the "**Mortgage-Backed Notes**") and the euro 4,500,000 floating rate Subordinated Class F Notes 2009 due 2041 (the '**Subordinated Class F Notes**') and together with the Mortgage-Backed Notes, the '**Notes**'), to be issued by Arena 2009-I B.V on the Closing Date.

Issue Price:

The issue prices of the Notes will be as follows:

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

Form

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

Denomination:

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

Status and ranking:

The Notes of each Class (as defined in the Conditions) rank *pari passu* without any preference or priority among Notes of the same Class. In accordance with the Conditions and the Trust Deed (i) payments of principal and interest on the Mezzanine Class B Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, (ii) payments of principal and interest on the Mezzanine Class C Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes and the Mezzanine Class B Notes, (iii) payments of principal and interest on the Mezzanine Class D Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, the Mezzanine Class B Notes and the Mezzanine Class C Notes, (iv) payments of principal and interest on the Junior Class E Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes and the Mezzanine Class D Notes, (v) payments of principal and interest on the Subordinated Class F Notes are subordinated to, *inter alia*, payments of interest on the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes and the Junior Class E Notes. See further the sections *Terms and Conditions of the Notes* below. The Subordinated Class F Noteholders do not have the right to receive any amount pursuant to the Principal Priority of Payments. The Senior Class A Notes comprise of the Senior Class A1 Notes and the Senior Class A2 Notes and the Senior Class A1 Notes and the Senior Class A2 Notes rank *pari passu* and *pro rata* without any preference or priority among all Notes of such Class in respect of the Security and payments of interest. Provided that no Enforcement Notice has been given, payments of principal on the Senior Class A Notes are applied firstly to the Senior Class A1 Notes and then to the Senior Class A2 Notes. To the extent that the Notes Redemption Available Amount is insufficient to redeem the Senior Class A1 Notes and/or the Senior Class A2 Notes in full when due in accordance with the Conditions for a period of fifteen days or more, this will constitute an Event of Default in accordance with Condition 10(a). The Senior Class A2 Notes do not therefore purport to provide credit enhancement to the Senior Class A1 Notes. If, on any date, the Security is to be enforced and the proceeds of the enforcement would be insufficient to fully redeem the Senior Class A Notes in full, such loss will be borne, *pro rata* and *pari passu*, by the holders of the Senior Class A Notes. If the Senior Class A1 Notes have been redeemed (in part or in full) at such time, this will result in the Senior Class A2 Notes bearing a greater loss than that borne by the Senior Class A1 Notes.

Interest:

Interest on the Notes is payable by reference to successive monthly interest periods (each a '**Floating Rate Interest Period**') and will be payable monthly in arrear in euro in respect of the Principal Amount Outstanding on the 17th day of each month (or, if such day is not a Business Day, the next succeeding Business Day, unless such day falls in the next succeeding calendar month in which case the Business Day immediately preceding such 17th day) (each such day being a '**Monthly Payment Date**'). Each successive Floating Rate Interest Period will commence on (and include) a Monthly Payment Date and end on (but exclude) the next succeeding Monthly Payment Date, except for the first Floating Rate Interest Period which will commence on (and include) the Closing Date and end on (but exclude) the Monthly Payment Date falling in January 2010. The interest will be calculated on the basis of the actual days elapsed in a Floating Rate Interest Period divided by a year of 360 days.

A '**Business Day**' means a day on which banks are open for business in Amsterdam and London, provided that such day is also a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007 ('**TARGET 2**') or any successor thereto is operating credit or transfer instructions in respect of payments in euro.

Interest on the Notes for each Floating Rate Interest Period from the Closing Date will accrue at a rate equal to the sum of the Euro Interbank Offered Rate ('**Euribor**') for one month deposits in euro (determined in accordance with Condition 4(f)) (or, in respect of the first Floating Rate Interest Period, the rate which represents the linear interpolation of Euribor for 1 month and 2 month deposits in euro, rounded, if necessary, to the 5th decimal place with 0.000005 being rounded upwards) plus a margin which will for the Subordinated Class F Notes be equal to 5.40 per cent. per annum and up to (but excluding) the first Optional Redemption Date, will for the Senior Class A1 Notes be equal to 1.10 per cent. per annum, for the Senior Class A2 Notes be equal to 1.40 per cent. per annum, for the Mezzanine Class B Notes be equal to 2.40 per cent. per annum, for the Mezzanine Class C Notes be equal to 3.40 per cent. per annum, for the Mezzanine Class D Notes be equal to 4.40 per cent. per annum and for the Junior Class E Notes be equal to 4.90 per cent. per annum.

Interest Step-up:

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

- (i) for the Senior Class A1 Notes, a margin of 2.20 per cent. per annum;
- (ii) for the Senior Class A2 Notes, a margin of 2.80 per cent. per annum;
- (iii) for the Mezzanine Class B Notes, a margin of 3.40 per cent. per annum;
- (iv) for the Mezzanine Class C Notes, a margin of 4.40 per cent. per annum;
- (v) for the Mezzanine Class D Notes, a margin of 5.40 per cent. per annum; and
- (vi) for the Junior Class E Notes, a margin of 5.90 per cent. per annum.

The margin applicable to the Subordinated Class F Notes will not be reset.

Final Maturity Date:

Unless previously redeemed as provided below, the Issuer will redeem the Notes at their respective Principal Amount Outstanding subject to and in accordance with the Conditions on the Monthly Payment Date falling in November 2041 (the '**Final Maturity Date**') subject to Condition 9(b).

Mandatory Redemption of the Notes:

The Issuer will be obliged to apply the Notes Redemption Available Amount to (partially) redeem the Mortgage-Backed Notes on each Monthly Payment Date, provided that no Enforcement Notice has been given, and at their respective Principal Amount Outstanding on a *pro rata* and *pari passu* basis in the following order: (i) sequentially, *first*, the Senior Class A1 Notes, until fully redeemed and, *second*, the Senior Class A2 Notes, until fully redeemed, (ii) *second*, the Mezzanine Class B Notes, until fully redeemed, (iii) *third*, the Mezzanine Class C Notes, until fully redeemed, (iv) *fourth*, the Mezzanine Class D Notes, until fully redeemed and (v) *fifth*, the Junior Class E Notes.

The Subordinated Class F Notes are subject to redemption in accordance with and subject to Condition 6(c) and Condition 9(b).

Optional Redemption of the Mortgage-Backed Notes:

On the Monthly Payment Date falling in November 2014 and on each Monthly Payment Date thereafter (each an '**Optional Redemption Date**'), the Issuer will have the option to redeem all of the Mortgage-Backed Notes, but not some only, at their respective Principal Amount Outstanding on such date in accordance with Condition 6(e) or, in case of the Junior Class E Notes, the Mezzanine Class D Notes, the Mezzanine Class C Notes and the Mezzanine Class B Notes, at their respective Principal Amount Outstanding less any relevant Principal Shortfall, on such date, subject to and in accordance with the Conditions. See *Sale of Mortgage Receivables* below.

The Subordinated Class F Notes are subject to redemption in accordance with and subject to Condition 6(c) and Condition 9(b).

Redemption for tax reasons:

If (i) the Issuer is or will become obliged to make any withholding or deduction for, or on account of, any taxes, duties or charges of whatsoever nature from payments in respect of any Class of Notes as a result of any change in, or amendment to, the laws or regulations of the Netherlands or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which becomes effective on or after the Closing Date and such obligation cannot be avoided by the Issuer taking reasonable measures available to it, (a '**Tax Change**') and (ii) the Issuer will have sufficient funds available on a Monthly Payment Date to discharge all amounts of principal and interest due in respect of each Class of Mortgage-Backed Notes and any amounts required to be paid in priority to or *pari passu* with each Class of Mortgage-Backed Notes in accordance with the Trust Deed, the Issuer has the option to redeem the Mortgage-Backed Notes in whole but not in part, on any Monthly Payment Date at their Principal Amount Outstanding in accordance with Condition 6(f) and subject to, in respect of the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes and the Junior Class E Notes, Condition 9(b). No Class of Mortgage-Backed Notes may be redeemed under such circumstances unless all Classes of Mortgage-Backed Notes, (or such of them as are then outstanding) are also redeemed in full at the same time. See under *Sale of Mortgage Receivables* in the section *Credit Structure* below.

The Subordinated Class F Notes are subject to redemption in accordance with and subject to Condition 6(c) and Condition 9(b).

Withholding Tax:

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

Method of Payment:

For so long as the Notes are represented by a Global Note, payments of principal and interest will be made in euro to a common safekeeper for Euroclear and Clearstream, Luxembourg, for the credit of the respective accounts of the Noteholders (see the section *The Global Notes* below).

Use of proceeds:

The Issuer will use part of the net proceeds from the issue of the Mortgage-Backed Notes to pay to the Seller (part of) the Initial Purchase Price for the Mortgage Receivables to be purchased on the Closing Date, pursuant to the provisions of an agreement dated 10 December 2009 (the '**Mortgage Receivables Purchase Agreement**') and made between the Seller, the Issuer and the Security Trustee. An amount equal to the aggregate Construction Amount will be withheld from the Initial Purchase Price by the Issuer and be deposited on the Construction Account. See the section *Mortgage Receivables Purchase Agreement* below.

The Issuer will credit the net proceeds from the issue of the Subordinated Class F Notes to the Reserve Account. See the section *Credit Structure* below.

THE MORTGAGE RECEIVABLES:**Mortgage Receivables:**

Under the Mortgage Receivables Purchase Agreement, the Issuer will purchase and on the Closing Date accept the assignment of any and all rights, of the Seller against certain borrowers (the '**Borrower**') under or in connection with certain selected Mortgage Loans (the '**Mortgage Receivables**'). The Issuer will be entitled to the proceeds of the Mortgage Receivables from (and including) the Cut-off Date. The Mortgage Receivables resulting from Savings Mortgage Loans will hereinafter be referred to as the '**Savings Mortgage Receivables**', the Mortgage Receivables resulting from Bank Savings Mortgage Loans will hereinafter be referred to as the '**Bank Savings Mortgage Receivables**', the Mortgage Receivables resulting from Life Mortgage Loans will hereinafter be referred to as the '**Life Mortgage Receivables**' and the Mortgage Receivables resulting from Investment Mortgage Loans will hereinafter be referred to as the '**Investment Mortgage Receivables**', respectively. The Seller has the benefit of the Beneficiary Rights, which entitle the Seller to receive the final payout ("*einduitkering*") under the relevant Insurance Policies, which payment is to be applied towards redemption of the relevant Mortgage Receivables. Under the Mortgage Receivables Purchase Agreement, the Seller will assign, to the extent legally possible and required, such Beneficiary Rights to the Issuer and the Issuer will accept such assignment.

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

NHG Guarantees:

All Mortgage Receivables which have the benefit of guarantees under the "*Nationale Hypotheek Garantie*" ('**NHG Guarantees**') will hereinafter be referred to as the '**NHG Mortgage Receivables**'). See further the sections *Description of the Mortgage Loans* and *NHG Guarantee Programme*.

Repurchase of Mortgage Receivables:

Under the Mortgage Receivables Purchase Agreement the Seller has undertaken to repurchase and accept re-assignment of a Mortgage Receivable on the Mortgage Payment Date immediately following any of the following events:

- (i) any of the representations and warranties given by the Seller in respect of such Mortgage Receivable or its related Mortgage Loan, including the representation and warranty that such Mortgage Receivable or its related Mortgage Loan meets the Mortgage Loan Criteria, are untrue or incorrect in any material respect and the Seller has not within 30 calendar days of having knowledge of such breach or receipt of written notice thereof from the Issuer or the Security Trustee remedied the matter giving rise thereto or if such matter is not capable of being remedied on the immediately succeeding Mortgage Payment Date; or
- (ii) on the Mortgage Payment Date immediately following the date on which the Seller has obtained any Other Claim(s) vis-à-vis any Borrower including resulting from a further advance under the Mortgage Loan, which is to be secured by the mortgage right which also secures the Mortgage Receivable (the '**Further Advance**'); or
- (iii) the Seller agrees with a Borrower to either (a) amend the terms of the Mortgage Loan and such amendment is not in accordance with the conditions set out in the Mortgage Receivables Purchase Agreement, which include the condition that after such amendment the Mortgage Loan continues to meet each of the Mortgage Loan Criteria and the representations and warranties of the Mortgage 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 Mortgage Loan or is otherwise made as part of a restructuring or renegotiation of the relevant Mortgage Loan due to a deterioration of the credit quality of the Borrower of such Mortgage Loan or (b) grant a further loan with a construction amount, whether or not to be secured by the same mortgage right as the Mortgage Receivable of such Borrower (the '**Further Construction Loan**') on the immediately succeeding Mortgage Payment Date; or
- (iv) the Seller agrees with a Borrower to switch a Savings Mortgage Loan or a Life Mortgage Loan with a Savings Element or a Bank Savings Mortgage Loan into (a part of) any type of Mortgage Loan other than a Savings Mortgage Loan or a Life Mortgage Loan with a Savings Element or a Bank Savings Mortgage Loan on the immediately succeeding Mortgage Payment Date; or
- (v) a Borrower (i) invokes a defence based upon non-compliance by the Seller with the Bka and (ii) refuses to pay any amount due under the relevant Mortgage Loan as a consequence thereof, on the immediately succeeding Mortgage Payment Date following such event; or
- (vi) the NHG Mortgage Receivable no longer has the benefit of the NHG Guarantee as a result of action taken or omitted to be taken by the Seller or the MPT Provider or the Defaulted Loan Servicer.

The purchase price will be calculated as described in *Sale of Mortgage Receivables* under *Credit Structure* below.

Clean-Up Call Option:

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

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

The Subordinated Class F Notes will be subject to redemption in accordance with and subject to Condition 6(c) and Condition 9(b).

Regulatory Call Option:

On each Monthly Payment Date, the Seller has the option but not the obligation to repurchase the Mortgage Receivables upon the occurrence of a Regulatory Change (the '**Regulatory Call Option**'). A '**Regulatory Change**' will be a change published on or after the Closing Date in the Basel Capital Accord promulgated by the Basel Committee on Banking Supervision (the '**Basel Accord**'), in the Basel II Capital Accord promulgated by the Basel Committee on Banking Supervision as set forth in the EU Capital Adequacy Directive, 2006/49/EG, as amended and supplemented from time to time (the '**Basel II Accord**') and the European Parliament legislative resolution of 22 April 2009 on the amended proposal for a directive of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (the '**Solvency II Framework**').

Directive) or in the international, European or Dutch regulations, rules and instructions (which includes rules on solvency requirements) (the **'Bank Regulations'**) applicable to the Seller (including any change in the Bank Regulations enacted for purposes of implementing a change to the Basel Accord) or a change in the manner in which the Basel Accord, Basel II Accord, the Solvency II Framework Directive or such Bank Regulations are interpreted or applied by the Basel Committee on Banking Supervision or by any relevant competent international, European or national body (including any relevant international, European or Dutch Central Bank or other competent regulatory or supervisory authority) which, in the opinion of the Seller, has the effect of adversely affecting the rate of return on capital of the Seller or increasing the cost or reducing the benefit to the Seller with respect to the transaction contemplated by the Notes.

The Issuer has undertaken in the Mortgage Receivables Purchase Agreement to sell and assign the Mortgage Receivables to the Seller, or any third party appointed by the Seller at its sole discretion, in case the Seller exercises the Regulatory Call Option. The purchase price will be calculated as described in *Sale of Mortgage Receivables* below. If the Seller exercises its Regulatory Call Option, then the Issuer will redeem the Mortgage-Backed Notes by applying the proceeds of the sale of the Mortgage Receivables towards redemption of the Mortgage-Backed Notes in accordance with Condition 6(b).

The Subordinated Class F Notes will be subject to redemption in accordance with and subject to Condition 6(c) and Condition 9(b).

Mortgage Loans:

The Mortgage Receivables to be sold by the Seller pursuant to the Mortgage Receivables Purchase Agreement will result from loans secured by a first-ranking mortgage right or first and sequentially lower ranking mortgage rights, over (i) a real estate ("*onroerende zaak*"), (ii) an apartment right ("*appartementsrecht*") and/or (iii) a long lease ("*erfpacht*"), together with real estate and apartment rights, each situated in the Netherlands, the **'Mortgaged Assets'** and entered into by the Seller with the relevant Borrowers which meet the criteria set forth in the Mortgage Receivables Purchase Agreement and which will be selected prior to or on the Closing Date (the **'Mortgage Loans'**).

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

- (i) linear mortgage loans ("*lineaire hypotheek*");
- (ii) annuity mortgage loans ("*annuïteitenhypotheek*");
- (iii) interest-only mortgage loans ("*aflossingsvrije hypotheek*");
- (iv) investment mortgage loans ("*beleggingshypotheek*");
- (v) savings mortgage loans ("*spaarahypotheek*");
- (vi) bank savings mortgage loans ("*bankspaarahypotheek*");
- (vii) unit-linked mortgage loans ("*unit-linked hypotheek*");
- (viii) universal life mortgage loans ("*universeel levenhypotheek*");
- (ix) life mortgage loans with the option to choose between the Savings Element and the Unit-linked Alternative ("*levenhypotheek*"); and / or
- (x) traditional life mortgage loans and life mortgage loans with an external insurance policy ("*levenhypotheek op basis van traditioneel gemengde verzekering*").

These types of Mortgage Loans are offered by the Seller, *inter alia*, under the following product names:

- (i) *Delta Lloyd Life hypotheek* (Life Mortgage Loans);
- (ii) *Financieel Vrijheidsplan* (Life Mortgage Loans);
- (iii) *Meerkeuzeplan* (Life Mortgage Loans with a policy with the Unit-Linked Alternative);
- (iv) *CombiPlusHypotheek* (Life Mortgage Loans with a policy with a combination of the Unit-Linked Alternative and the Savings Element);
- (v) *ZekerPlusHypotheek* (Bank Savings Mortgage Loans); and
- (vi) *EffectPlusHypotheek* and *WoonPlusHypotheek* (Investment Mortgage Loans).

If a Mortgage Loan consists of one or more loan parts, the Seller will sell and assign and the Issuer shall purchase and accept the assignment of all rights associated with all, but not some, loan parts of such Mortgage Loan at the Closing Date. See *Description of Mortgage Loans* below and *Risk Factors* above.

Interest-only Mortgage Loans:

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

Loan, the Borrower is only required to pay interest until maturity and is not required to pay principal until maturity. A bullet payment for the (remainder of the) principal is due upon maturity.

Linear Mortgage Loans:

A portion of the Mortgage Loans (or parts thereof) will be in the form of linear mortgage loans ("*lineaire hypotheek*", hereinafter '**Linear Mortgage Loans**'). Under a Linear Mortgage Loan, the Borrower pays a decreasing monthly payment, made up of an initially high and subsequently decreasing interest portion and a fixed principal portion, and calculated in such a manner that the Linear Mortgage Loan will be fully redeemed at the maturity.

Annuity Mortgage Loans:

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

Investment Mortgage Loans:

A portion of the Mortgage Loans (or parts thereof) will be in the form of investment-based mortgage loans ("*beleggingshypotheek*", hereinafter '**Investment Mortgage Loans**'). The Borrower is only required to pay interest until maturity and is not required to pay principal until maturity. The Borrower undertakes to invest, whether on a lump sum basis or on an instalment basis, by means of an '**Investment Account**', defined amounts in (a) selected investment funds (the '**Investment Portfolios**'), (b) placing these amounts in his Investment Account or (c) a combination of options a and b. A bullet payment for the (remainder of the) principal is due upon maturity. Depending on the type of Investment Mortgage Loan, it is envisaged that the Borrower pays (part of) either the bullet payment or (part of) the interest with funds which have been accumulated through investments. The Seller has represented that under the Investment Mortgage Loans, the securities are purchased on behalf of the relevant Borrower by the Seller for the account of the Borrowers and these securities are held in custody by an admitted institution of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. in accordance with the Wge or, if they do not qualify as such, by a separate depository vehicle in accordance with Section 6:18 of the Further Regulation on Conduct Supervision of Financial Enterprises. The Investment Accounts are pledged to the Seller. See *Risk of set-off or defences in respect of investments under Investment Mortgage Loans* in the section *Risk Factors* above.

Savings Mortgage Loans:

A portion of the Mortgage Loans will be in the form of savings mortgage loans, which consist of savings mortgage loans ("*spaarhypotheek*", hereinafter '**Savings Mortgage Loans**') combined with an insurance policy (a '**Savings Insurance Policy**') with the Savings Insurance Company. A Savings Insurance Policy is a combined risk and capital insurance policy taken out by the relevant Borrower with the Savings Insurance Company in connection with the relevant Savings Mortgage Loan. Under a Savings Mortgage Loan, the Borrower is only required to pay interest until maturity and is not required to pay principal until maturity. A bullet payment for the (remainder of the) principal towards redemption is due upon maturity of such Savings Mortgage Loan. In relation to the Savings Insurance Policies the savings part of the premium (the '**Savings Premium**') is calculated in such a manner that, on an annuity basis, the proceeds of the Savings Insurance Policy due by the Savings Insurance Company to the relevant Borrower is equal to the amount due by the Borrower to the Seller at maturity. The Savings Insurance Policies are pledged to the Seller. See *Risk of set-off and defences by Borrowers in case of insolvency of any of the Insurance Companies* in *Risk Factors* above.

Bank Savings Mortgage Loans

A portion of the Mortgage Loans will be in the form of bank savings mortgage loans ("*bankspaarhypotheek*" and hereinafter '**Bank Savings Mortgage Loans**'), which consist of Mortgage Loans combined with a blocked savings account (the '**Bank Savings Account**') held with the Bank Savings Participant. Under a Bank Savings Mortgage Loan, the Borrower is only required to pay interest until maturity and is not required to pay principal until maturity. The Borrower undertakes to pay a monthly deposit in the Bank Savings Account (the '**Monthly Bank Savings Deposit Instalment**'). The Monthly Bank Savings Deposit Instalment is calculated in such a manner that, on an annuity basis, the balance standing to the credit of the Bank Savings Account (the '**Bank Savings Deposit**') is equal to the amount due by upon maturity of the Bank Savings Mortgage Loan. The Bank Savings Deposit is pledged to the Seller. See *Risk of set-off defences with respect to Mortgage Receivables resulting from Bank Savings Mortgage Loans*.

Life Mortgage Loans:

A portion of the Mortgage Loans will be in the form of life mortgage loans (**'Life Mortgage Loans'**), i.e. Mortgage Loans which have the benefit of combined risk and capital insurance policies (**'Life Insurance Policies'**) taken out by Borrowers with (a) the Savings Insurance Company or (b) any insurance company established in the Netherlands, other than the Savings Insurance Company (a **'Life Insurance Company'** and together with the Savings Insurance Company, the **'Insurance Companies'**). Under a Life Mortgage Loan, the Borrower is only required to pay interest until maturity and is not required to pay principal until maturity. A bullet payment for the (remainder of the) principal is due upon maturity. The Life Insurance Policies connected to such Life Mortgage Loans are offered by a Life Insurance Company in several alternatives. The Borrower has the choice between (i) a guaranteed amount to be received when the Life Insurance Policy pays out, (ii) the Unit-Linked Alternative or (iii), a combination of (i) and (ii), in which case the Borrower has the option to switch between the Unit-Linked Alternative and the Savings Alternative. **'Unit-Linked Alternative'** means the alternative under which the amount to be received upon pay out of the Life Insurance Policy depends on the performance of certain investment funds chosen by the Borrower. **'Savings Alternative'** means the alternative under which a certain pre-agreed amount to be received upon pay out of the Life Insurance Policy with, in such case, the relevant Insurance Company and the Savings Premium thereof is calculated in such a manner that, on an annuity basis, the proceeds of the Savings Alternative is equal to the amount due by the Borrower to the Seller at maturity of (part of) the relevant Life Mortgage Loan. Life Mortgage Loans of which the relevant Borrower has opted for a Savings Alternative are referred to as **'Life Mortgage Loans with a Savings Element'**, and the Life Insurance Policies connected to such Life Mortgage Loans are referred to as **'Life Insurance Policies with the Savings Alternative'**. The Insurance Policies are pledged to the Seller. See *Risk of set-off and defences by Borrowers in case of insolvency of any of the Insurance Companies* in Risk Factors above.

Sub-Participation Agreements:

On the Closing Date, the Issuer will enter into a sub-participation agreement (the **'Savings Insurance Sub-Participation Agreement'**) with the Savings Insurance Company under which the Savings Insurance Company will acquire participations in the relevant Savings Mortgage Receivables and/or Life Mortgage Receivables with a Savings Element in consideration for the undertaking of the Savings Insurance Company to pay to the Issuer (i) at the Closing Date, or (ii) on the relevant Mortgage Payment Date in the case of a switch from any type of Mortgage Loan into a Savings Mortgage Loan or a Life Mortgage Loan with a Savings Element, all amounts received as Savings Premia on the Savings Insurance Policies and/or Life Insurance Policies with the Savings Alternative. In return, the Savings Insurance Company is entitled to receive the Savings Insurance Participation Redemption Available Amount (as defined in *Sub-Participation Agreements* below) from the Issuer. The amount of the participation (the **'Savings Insurance Participation'**) with respect to a Savings Mortgage Receivable and/or a Life Mortgage Receivable with a Savings Element consists of the initial participation at the Closing Date or, as the case may be, the relevant Mortgage Payment Date (which is equal to the sum of all amounts received as Savings Premia and accrued interest) (a) up to but excluding the Cut-off Date in the case of the Closing Date, being the amount of euro 4,454,492, or (b) the first day of the month in which the relevant Mortgage Payment Date falls in case of a switch from any type of Mortgage Loan other than a Savings Mortgage Loan or a Life Mortgage Loan with a Savings Element, into a Savings Mortgage Loan or a Life Mortgage Loan with a Savings Element, by the Savings Insurance Company increased on a monthly basis with the sum of (i) the Savings Premia received by the Savings Insurance Company and paid to the Issuer and (ii) a *pro rata* part, corresponding to the Savings Insurance Participation in the relevant Savings Mortgage Receivable and/or Life Mortgage Receivable with a Savings Element, of the interest paid by the Borrower in respect of such Savings Mortgage Receivable and/or Life Mortgage Receivable with a Savings Element.

Furthermore, on the Closing Date, the Issuer will enter into a sub-participation agreement (the **'Bank Savings Sub-Participation Agreement'**), and together with the Savings Insurance Sub-Participation Agreement, the **'Sub-Participation Agreements'**) with the Bank Savings Participant under which the Bank Savings Participant will acquire participations in the relevant Bank Savings Mortgage Receivables in consideration for the undertaking of the Bank Savings Participant to pay to the Issuer (i) at the Closing Date or (ii) on the relevant Mortgage Payment Date in the case of a switch from any type of Mortgage Loan other than a Bank Savings Mortgage Loan into a Bank Savings Mortgage Loan, the Bank Savings Deposit and on each Mortgage Payment Date, the Monthly Bank Savings Deposit Instalment, under the Bank Savings Mortgage Loans. In return, the Bank Savings Participant is entitled to receive the Bank Savings Participation Redemption Available Amount (as defined in *Sub-Participation Agreements* below) from the Issuer. The amount of the participation (the **'Bank Savings Participation'**), and together with the Savings Insurance Participation, the **'Participation'**) with respect to a Bank Savings Mortgage Receivable consists of the initial participation at the Closing Date or, as the case may be, the relevant Mortgage Payment Date (which is equal to the sum of all amounts received as Monthly Bank Savings Deposit Instalments and accrued interest) (a) up to but excluding the Cut-off Date in the case of

the Closing Date, being the amount of euro 1,594,272, or (b) the first day of the month in which the relevant Mortgage Payment Date falls in case of a switch from any type of Mortgage Loan other than a Bank Savings Mortgage Loan into a Bank Savings Mortgage Loan, by the Bank Savings Participant increased on a monthly basis with the sum of (i) the Monthly Bank Savings Deposit Instalments received by the Bank Savings Participant and paid to the Issuer and (ii) a *pro rata* part, corresponding to the Bank Savings Participation in the relevant Bank Savings Mortgage Receivable, of the interest paid by the Borrower in respect of such Bank Savings Mortgage Receivable.

See further the section *Sub-Participation Agreements* below.

Construction Amounts:

Pursuant to the Mortgage Conditions, the Borrowers have the right to request that a part of the Mortgage Loan will be withheld and will be applied towards construction of or improvements to the Mortgaged Asset. Such amounts including any interest accrued thereon (the '**Construction Amount**') will only be paid to the Borrower in case certain conditions are met. The aggregate amount of the Construction Amounts on the Cut-off Date is euro 8,144,892. The Issuer and the Seller will agree in the Mortgage Receivables Purchase Agreement that the Issuer will be entitled to withhold from the Initial Purchase Price an amount equal to the aggregate Construction Amount on the Cut-off Date. Such amount will be deposited in the Construction Account. On each Mortgage Payment Date, the Issuer will release from the Construction Account such part of the Initial Purchase Price which equals the amount by which the aggregate Construction Amount has been reduced during the preceding Monthly Calculation Period and pay such amount to the Seller.

Pursuant to the Mortgage Conditions, Construction Amounts have to be paid out within 12 or 24 months after the relevant Mortgage Loan has been granted. However, the Seller may agree with a Borrower to extend the period altogether to a maximum of 18 or 30 months. After such period, any remaining Construction Amounts will (i) if the relevant remaining Construction Amount is less than EUR 7,500 be paid out by the Seller to the relevant Borrower and consequently the remaining part of the Initial Purchase Price will be paid out by the Issuer to the Seller and (ii) if the relevant remaining Construction Amount exceeds EUR 7,500 be set-off against the relevant Mortgage Receivable up to the amount of such Construction Amount. The Issuer shall have no further obligation towards the Seller to pay the remaining part of the Initial Purchase Price in such case and any balance standing to the credit of the Construction Account will be transferred to the Issuer Collection Account and form part of the Notes Redemption Available Amount.

If any of the events set forth in items (d) and (e) of the definition of the Notification Events has occurred, the Issuer will no longer be under the obligation to pay such remaining part of the Initial Purchase Price. See the section *Mortgage Receivables Purchase Agreement* below.

Sale of Mortgage Receivables:

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

Security for the Notes:

The Notes will be (indirectly) secured, through the Security Trustee, by (i) a first ranking right of pledge granted by the Issuer to the Security Trustee over the Mortgage Receivables and the Beneficiary Rights relating thereto and (ii) a first ranking right of pledge vested by the Issuer in favour of the Security Trustee over the Issuer's rights under or in connection with the Mortgage Receivables Purchase Agreement, the Swap Agreement, the Sub-Participation Agreements, the Issuer Services Agreement, the Liquidity Facility Agreement and the Floating Rate GIC and in respect of the Transaction Accounts. The amount payable to the Noteholders and the other Secured Parties will be limited to the amounts available for such purpose to the Security Trustee which, *inter alia*, will consist of amounts recovered by the Security Trustee on the Mortgage Receivables and the Beneficiary Rights and amounts received by the Security Trustee as creditor under the Mortgage Receivables Purchase Agreement and the Parallel Debt Agreement. Payments to the Secured Parties will be made in accordance with the Priority of Payments upon Enforcement. See the section *Risk Factors* and for a more detailed description *Description of Security* below.

Parallel Debt Agreement:

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

CASH-FLOW STRUCTURE:**Liquidity Facility:**

On the Closing Date, the Issuer will enter into a liquidity facility agreement with a maximum term of 364 days with the Liquidity Facility Provider (the **'Liquidity Facility Agreement'**) under which the Issuer will be entitled to make drawings in order to meet certain shortfalls in its available revenue receipts. Any drawing made under the Liquidity Facility Agreement will be debited from an account maintained with the Liquidity Facility Provider (the **'Liquidity Facility Account'**) and credited to the Issuer Collection Account. If, at any time, the Issuer will be required to make a Liquidity Facility Stand-by Drawing, the Issuer shall credit such amount to an account (the **'Liquidity Facility Stand-by Account'**) held with the Floating Rate GIC Provider. See the section *Credit Structure* below.

Seller Collection Account:

The Seller maintains an account with ABN AMRO (the **'Seller Collection Account'**) to which collections of all amounts of interest, prepayment penalties and principal received under the Mortgage Loans will be paid. The Seller has outsourced the administration of the Seller Collection Account to Stater Nederland B.V..

Issuer Collection Account:

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

Construction Account:

The Issuer will maintain with the Floating Rate GIC Provider an account (the **'Construction Account'**) to which on the Closing Date an amount corresponding to the aggregate Construction Amount will be credited. The Construction Account will only be debited for (i) payments to the Seller in accordance with the Mortgage Receivables Purchase Agreement and (ii) transfer to the Issuer Collection Account in case the Issuer has no obligation to pay any such part of the Initial Purchase Price (as described in *Construction Amounts* above).

Reserve Account:

The Issuer will pay the proceeds of the Subordinated Class F Notes into an account (the **'Reserve Account'**, together with the Issuer Collection Account, the Construction Account and the Liquidity Facility Stand-by Account, the **'Transaction Accounts'**) held with the Floating Rate GIC Provider. The purpose of the Reserve Account will be to enable the Issuer to meet the Issuer's payment obligations under items (a) up to and including (o) in the Interest Priority of Payments in the event that the Notes Interest Available Amount is not sufficient to meet such payment obligations on a Monthly Payment Date. If and to the extent that the Notes Interest Available Amount on any Monthly Payment Date exceeds the aggregate amounts payable under items (a) to (o) (inclusive) in the Interest Priority of Payments (as set forth in the section *Credit Structure*), such excess amount will be used to deposit in or, as the case may be, to replenish the Reserve Account by crediting such amount to the Reserve Account up to the Reserve Account Required Amount. The **'Reserve Account Required Amount'** shall on any Monthly Payment Date be equal to (i) 0.5 per cent. of the aggregate Principal Amount Outstanding of the Mortgage-Backed Notes on the Closing Date or (ii) zero, on the Monthly Payment Date whereon the Mortgage-Backed Notes have been or are to be redeemed in full, subject to and in accordance with the Conditions.

To the extent that the balance standing to the credit of the Reserve Account on any Monthly Payment Date exceeds the Reserve Account Required Amount, such excess shall be drawn from the Reserve Account on such Monthly Payment Date and shall form part of the Notes Interest Available Amount on that Monthly Payment Date and, after all payments of the Interest Priority of Payments ranking higher in priority have been made, will be available to redeem or partially redeem, as the case may be, the Subordinated Class F Notes.

On the Monthly Payment Date on which all amounts of principal due in respect of the Mortgage-Backed Notes have been or will be paid, any amount remaining to be standing to the credit of the Reserve Account will on such

date form part of the Notes Interest Available Amount and will be applied by the Issuer in or towards satisfaction of all items in the Interest Priority of Payments in accordance with the priority set out therein, including for redemption of principal of the Subordinated Class F Notes.

Floating Rate GIC:

The Issuer, the Security Trustee and the Floating Rate GIC Provider will enter into a guaranteed investment contract (the '**Floating Rate GIC**') on the Closing Date, whereunder the Floating Rate GIC Provider will agree to pay a guaranteed rate of interest determined by reference to EONIA minus a margin on the balances standing from time to time to the credit of the Transaction Accounts. The Issuer will undertake pursuant to the Trust Deed not to withdraw or apply amounts from the Transaction Accounts other than in accordance with the Trust Deed.

Subordinated Loan:

On the Closing Date, the Issuer will enter into a subordinated loan agreement (the '**Subordinated Loan**') with the Subordinated Loan Provider for an amount of euro 2,750,000. The proceeds of the Subordinated Loan will be used to pay certain start-up costs and expenses incurred by the Issuer in connection with the issue of the Notes.

Swap Agreement:

On the Closing Date, the Issuer will enter into a swap agreement including a Credit Support Annex with the Swap Counterparty to mitigate the risk between the rates of interest to be received by the Issuer on (a) the Mortgage Receivables and the interest received on the Issuer Collection Account and (b) the floating rates of interest payable by the Issuer on the relevant Class of Mortgage-Backed Notes (such agreement between the Issuer and the Swap Counterparty or its successor(s) or a replacement swap counterparty, the '**Swap Agreement**') (as described in *Credit Structure* under *Interest Rate Hedging* below).

The interest on the Subordinated Class F Notes will not be hedged.

OTHER:

Issuer Services Agreement:

Under a mortgage payment transactions and issuer services agreement to be entered into on the Closing Date (the '**Issuer Services Agreement**') between the Issuer, the MPT Provider, the Defaulted Loan Servicer, the Issuer Administrator and the Security Trustee, (i) the MPT Provider will (a) provide mortgage payment transactions and other services as agreed in the Issuer Services Agreement in relation to the Mortgage Receivables and (b) prepare and provide the Issuer Administrator with certain statistical information regarding the Issuer as required by law for submission to the relevant governmental authorities on a day-to-day basis, including, without limitation, the collection of payments of principal, interest and all other amounts in respect of the Mortgage Receivables and (ii) the Defaulted Loan Servicer will agree to provide the implementation of arrears procedures including, if applicable, the enforcement of mortgages (see further the sections *Mortgage Loan Underwriting* and *Mortgage Services* below) and (iii) the Issuer Administrator will agree (a) to provide certain administration, calculation and cash management services for the Issuer on a day-to-day basis, including without limitation, all calculations to be made in respect of the Notes pursuant to the Conditions and (b) to submit certain statistical information regarding the Issuer as referred to above to certain governmental authorities if and when requested.

Management Agreements:

Each of the Issuer, the Shareholder and the Security Trustee have entered 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 Shareholder or, as the case may be, the Security Trustee and to perform certain services in connection therewith.

Listing:

Application has been made for the Notes to be listed on Euronext Amsterdam on the Closing Date.

Selling restrictions:

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

Ratings:

It is a condition precedent to issuance of the Notes that the Senior Class A1 Notes, on issue, be assigned an 'Aaa' rating by Moody's and an 'AAA' rating by S&P, the Senior Class A2 Notes, on issue, be assigned an 'Aaa' rating

by Moody's and an 'AAA' rating by S&P, the Mezzanine Class B Notes, on issue, be assigned an 'Aa2' rating by Moody's and an 'A+' rating by S&P, the Mezzanine Class C Notes, on issue, be assigned at least an 'Aa3' rating by Moody's, the Mezzanine Class D Notes, on issue, be assigned at least a 'A3' rating by Moody's and the Junior Class E Notes, on issue, be assigned at least a 'Baa3' rating by Moody's. The Subordinated Class F Notes will not be rated.

The rating of each of the Mortgage-Backed Notes addresses the assessment 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.

Settlement:

Through Euroclear and Clearstream, Luxembourg.

By acquiring the Notes, the Noteholders 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 by Euroclear and/or Clearstream, Luxembourg or its participants of their obligations under their respective rules, operating procedures and calculation methods.

Governing law:

The Notes, and any non-contractual obligations arising out of or in relation to the Notes, will be governed by and construed in accordance with the laws of the Netherlands.

IMPORTANT INFORMATION

Potential purchasers of the Notes are expressly advised that such purchase entails certain risks and that they should therefore carefully review the entire contents of this prospectus. Furthermore before making a purchase decision with respect to the Notes, potential purchasers should consult their advisers and carefully review the risks associated with a purchase of the notes and consider such a purchase in the light of their own circumstances.

Potential investors should rely on the information contained in this Prospectus and any supplement to this Prospectus within the meaning of article 5:23 Wft. Potential investors should not assume that the information in this Prospectus is accurate as of any date other than the date of this Prospectus. No person is or has been authorised to give any information or to make any representation in connection with the offering of the Notes other than as contained in this Prospectus. If any information or representation not contained in this Prospectus is given or made, the information or representation must not be relied upon as having been authorised by the Issuer or any other party.

Neither this Prospectus nor any part thereof constitutes an offer or an invitation to sell or a solicitation of an offer to buy Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction. The distribution of this document and the offering of the Notes in certain jurisdictions may be restricted by law.

Responsibility statements

Only the Issuer is responsible for the information contained in this Prospectus, other than the information for which the Seller is responsible, as referred to in the following paragraph. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information (except for the information for which the Seller is responsible) contained in this Prospectus as referred to in the following paragraph, is in accordance with the facts and does not omit anything likely to affect the import of such information. The Issuer accepts responsibility accordingly.

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

No one is authorised by the Seller or the Issuer to give any information or to make any representation concerning the issue of the Notes other than those contained in this Prospectus in accordance with applicable laws and regulations and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, any of the Arrangers or any of the Managers. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither the delivery of this Prospectus at any time nor any sale made in connection with the offering of the Notes shall imply that the information contained herein is correct at any time subsequent to the date of this Prospectus. Neither the Issuer nor any other party has any obligation to update this Prospectus, except when required by the listing and issuing rules of Euronext Amsterdam and/or any applicable rules and regulations of Netherlands financial law.

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

None of the Arrangers, the Managers, the Security Trustee, the Paying Agent, the Reference Agent or the Liquidity Facility Provider has separately verified the information contained in this Prospectus and accordingly none of the Arrangers, the Managers, the Security Trustee, the Paying Agent, the Reference Agent or the Liquidity Facility Provider makes any representation, recommendation or warranty, express or implied,

regarding the accuracy, adequacy, reasonableness or completeness of the information contained in this Prospectus or in any further notice or other document which may at any time be supplied in connection with the Notes or their distribution or accepts any responsibility or liability therefor. None of the Arrangers, the Managers, the Security Trustee, the Paying Agent, the Reference Agent or the Liquidity Facility Provider undertakes to advise any investor or potential investor in the Notes of any information coming to the attention of the Arrangers, the Managers, the Security Trustee, the Paying Agent, the Reference Agent or the Liquidity Facility Provider which is not included in this Prospectus.

Incorporation by reference

This Prospectus is to be read in conjunction with the articles of association of the Issuer which are deemed to be incorporated by reference herein (see the section *General Information* below). This Prospectus shall be read and construed on the basis that such document is incorporated in and forms part of this Prospectus.

Restrictions on offers, sales and deliveries of the Notes and distribution of the Prospectus

The Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the '**Securities Act**') or the securities laws of any state of the United States or other United States jurisdiction 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, or for the account or benefit of, persons as defined in Regulation S under the Securities Act except in certain transactions permitted by U.S. tax regulations and Regulation S under the Securities Act and applicable state or local securities laws (see *Purchase and Sale* below). The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission or any other regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Prospectus. Any representation to the contrary is unlawful.

A fuller description of the restrictions on offers, sales and deliveries of the Notes and on the distribution of this Prospectus is set out in the section entitled *Purchase and Sale* below. Persons into whose possession this Prospectus (or any part thereof) comes are required to inform themselves about, and to observe, any such restrictions.

Market and industry data

Market data and other statistical information used in this Prospectus is based on a number of sources, including independent industry publications, government publications, reports by market research firms or other independent publications (each an '**Independent Source**').

The most recent available information from Independent Sources has been included in this Prospectus. Some data are based on good faith estimates, which are derived in part from a review of internal surveys of Delta Lloyd, as well as the Independent Sources. Although these Independent Sources are believed to be reliable, the information has not independently been verified and its accuracy and completeness cannot be guaranteed.

The information in this Prospectus that has been sourced from Independent Sources has been accurately reproduced and, as far as this could be ascertained from the information published by the relevant Independent Source, no facts have been omitted which would render the reproduced information inaccurate or misleading.

References

All references in this Prospectus to '**EUR**', '**€**' and '**euro**' refer to the single currency which was introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community (as amended by the Treaty on European Union).

CREDIT STRUCTURE

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

Mortgage Loan Interest Rates

The interest rate of each Mortgage Loan is fixed, subject to a reset from time to time, or floating. On the Cut-off Date the weighted average interest rate of the Mortgage Loans is expected to be 4.83 per cent.. Interest rates vary between individual Mortgage Loans. The range of interest rates is described further in *Summary of the Final Pool*.

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

Cash Collection Arrangement

Payments by the Borrowers of interest and scheduled principal under the Mortgage Loans are due on the first day of each month, interest being payable in arrear. All payments made by Borrowers will be paid into the Seller Collection Account maintained with ABN AMRO (in such capacity the '**Seller Collection Account Provider**'). This account is not pledged to any party other than to the Seller Collection Account Provider pursuant to the applicable terms and conditions. This account will also be used for the collection of moneys paid in respect of mortgage loans other than Mortgage Loans and in respect of any other moneys belonging to the Seller.

If the rating of the short-term, unsecured and unguaranteed debt obligations of the Seller Collection Account Provider falls below Prime-I by Moody's or A-1 by S&P (the '**Short Term Requisite Rating**'), the Seller will within thirty (30) calendar days, to maintain the then current rating assigned to the Mortgage-Backed Notes, either: (i) ensure that payments to be made in respect of amounts received on the Seller Collection Account relating to the Mortgage Receivables will be guaranteed by a party having at least the Short Term Requisite Rating in accordance with the guarantee criteria of S&P or (ii) (a) open an escrow account in the name of the Issuer, for its own account, with a party having at least the Short Term Requisite Rating and (b) transfer to the escrow account an amount equal to the highest single amount of principal, interest and prepayment penalties received since the Closing on the Issuer Collection Account during one Mortgage Calculation Period; or (iii) implement any other actions to maintain the then current ratings assigned to the Mortgage-Backed Notes.

On each '**Mortgage Payment Date**' (being the 12th day of each calendar month or if this is not a business day the next succeeding business day) the MPT Provider shall transfer all amounts of principal, interest, prepayment penalties and interest penalties received by the Seller in respect of the Mortgage Receivables during the immediately preceding Mortgage Calculation Period to the Issuer Collection Account.

For these purposes a '**Mortgage Calculation Period**' is the period commencing on (and including) the first day of a calendar month and ending on (and including) the last day of such calendar month and the first Mortgage Calculation Period will commence on (and include) the Cut-off Date and end on (and include) the last day of December 2009.

Transaction Accounts

The Issuer will maintain with the Floating Rate GIC Provider the Issuer Collection Account, the Construction Account, the Reserve Account, the Liquidity Facility Account and the Liquidity Facility Stand-by Account.

Issuer Collection Account

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

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

Payments may be made from the Issuer Collection Account other than on a Monthly Payment Date only to satisfy (i) amounts due to third parties (other than pursuant to the Relevant Documents) and payable in connection with the Issuer's business, (ii) amounts due under the Sub-Participation Agreements, (iii) the repayment of any Liquidity Facility Stand-by Drawing in accordance with the Liquidity Facility Agreement and (iv) the payment to the Swap Counterparty of any Tax Credit. In addition, the Issuer may pay any termination payment to the Swap Counterparty on any date other than a Monthly Payment Date provided that the Issuer has received such amount as initial swap payment from the relevant replacement swap counterparty (see *Swap Agreement* below).

Construction Account

The Issuer will maintain with the Floating Rate GIC Provider the Construction Account, to which an amount corresponding to the aggregate Construction Amount relating to the Mortgage Receivables will be credited on the Closing Date. Payments may be made from the Construction Account on a Monthly Payment Date only to satisfy payment by the Issuer to the Seller of (part of) the Initial Purchase Price as a result of the distribution of (part of) the Construction Amount by the Seller to the relevant Borrowers. Besides this, the Construction Account will be debited with the amount Borrowers have set off against the relevant Mortgage Receivables in connection with the Construction Amounts and as a result of which the Issuer has no further obligation to pay (such part of) the Initial Purchase Price. Such amount will be transferred to the Issuer Collection Account and form part of the Notes Redemption Available Amount. The interest accrued and received on the Construction Account shall be for the benefit of the Seller.

Reserve Account

The Issuer will maintain with the Floating Rate GIC Provider the Reserve Account, to which the net proceeds of the Subordinated Class F Notes will be credited.

Amounts credited to the Reserve Account will be available on any Monthly Payment Date to meet items (a) to (o) (inclusive) of the Interest Priority of Payments, before application of any funds drawn under the Liquidity Facility Agreement.

If and to the extent that the Notes Interest Available Amount on any Monthly Payment Date exceeds the amounts required to meet items ranking higher than item (p) in the Interest Priority of Payments, the excess amount will be applied to replenish and/or build up the Reserve Account as the case may be, until the balance standing to the credit of the Reserve Account equals the Reserve Account Required Amount. The Reserve Account Required Amount shall on any Monthly Payment Date be equal to (i) 0.5 per cent. of the aggregate Principal Amount Outstanding of the Mortgage-Backed Notes, on the Closing Date or (ii) zero, on the Monthly Payment Date whereon the Mortgage-Backed Notes have been or are to be redeemed in full, in accordance with the Conditions.

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

After all amounts of interest and principal due in respect of the Notes, except for principal in respect of the Subordinated Class F Notes, have been paid and all payments of the Interest Priority of Payments ranking higher in priority have been made, any amount standing to the credit of the Reserve Account will be applied to redeem or partially redeem, as the case may be, the Subordinated Class F Notes.

General

If at any time the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Floating Rate GIC Provider are assigned a rating of less than the Short Term Requisite Rating or such rating is withdrawn the Floating Rate GIC Provider will be required to use its best efforts within 20 days to obtain a third party,

acceptable to the Rating Agencies, to guarantee the obligations of the Floating Rate GIC Provider in accordance with the guarantee criteria of S&P or to take any other action to maintain the then current ratings assigned to the Mortgage-Backed Notes. If the Floating Rate GIC Provider fails to do so, the Issuer will transfer the balances of the Transaction Accounts to an alternative bank with the Short Term Requisite Rating within 30 days after such downgrade or to obtain a third party, acceptable to the Rating Agencies, to guarantee the obligations of the Floating Rate GIC Provider in accordance with the guarantee criteria of S&P.

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 maintained with an entity having at least the Short Term Requisite Rating in which such cash provided by the Swap Counterparty will be held in accordance with the Credit Support Annex. 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. Such account will therefore not be subject to a security right in favour of the Security Trustee. 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 and accrued to the Issuer by the Swap Counterparty under the Swap Agreement that is in excess of the Swap Counterparty's liability to the Issuer thereunder.

Any Excess Swap Collateral shall be transferred directly to the Swap Counterparty (outside of any Priority of Payments). The same applies for any tax credit, allowance, set-off or repayment from the tax authorities of any jurisdiction obtained by the Issuer relating to any deduction or withholding giving rise to a payment made by the Swap Counterparty in accordance with the Swap Agreement, the cash benefit in respect of which shall be paid by the Issuer to the Swap Counterparty pursuant to the terms of the Swap Agreement (**'Tax Credit'**).

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 fourth business day prior to each Monthly Payment Date (a **'Monthly Calculation Date'**) and which have been received or deposited during or, as the case may be, relating to the Monthly Calculation Period immediately preceding such Monthly Calculation Date (items (i) up to and including (xiv) being hereafter referred to as the **'Notes Interest Available Amount'**):

- (i) as interest, including penalty interest, on the Mortgage Receivables, less, with respect to each Savings Mortgage Receivable, Life Mortgage Receivable with a Savings Element and Bank Savings Mortgage Receivable, an amount equal to the amount of interest received in such Monthly Calculation Period, multiplied by the quotient of the relevant Participation on the first day of the relevant Mortgage Calculation Period divided by the Outstanding Principal Amount in respect of such Savings Mortgage Receivable, Life Mortgage Receivable with a Savings Element or Bank Savings Mortgage Receivable on the first day of the relevant Mortgage Calculation Period (the **'Participation Fraction'**);
- (ii) as interest accrued and received on the Issuer Collection Account, the Reserve Account and the Liquidity Facility Stand-by Account during such Monthly Calculation Period and on the first business day succeeding such Monthly Calculation Period;
- (iii) as prepayment penalties and penalty interest under the Mortgage Receivables;
- (iv) as Net Proceeds on any Mortgage Receivables to the extent such proceeds do not relate to principal less, with respect to each Savings Mortgage Receivable, Life Mortgage Receivable with a Savings Element and Bank Savings Mortgage Receivable, an amount equal to the amount of interest received multiplied by the relevant Participation Fraction;
- (v) as amounts to be drawn under the Liquidity Facility Agreement (other than Liquidity Facility Stand-by Drawings) and to be debited from the Liquidity Facility Account on the immediately succeeding Monthly Payment Date;

- (vi) as amounts to be drawn from the Reserve Account on the immediately succeeding Monthly Payment Date;
- (vii) as amounts to be received from the Swap Counterparty under the Swap Agreement on the immediately succeeding Monthly Payment Date, if any, excluding, for the avoidance of doubt, (i) any collateral transferred pursuant to the Swap Agreement and (ii) any Tax Credit and (iii) any amounts received upon early termination of the Swap Agreement;
- (viii) as amounts received in connection with a repurchase of Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement, or any other amounts received pursuant to the Mortgage Receivables Purchase Agreement, to the extent such amounts do not relate to principal less, with respect to each Savings Mortgage Receivable, Life Mortgage Receivable with a Savings Element and Bank Savings Mortgage Receivable, an amount equal to the amount of interest received multiplied by the relevant Participation Fraction;
- (ix) as amounts received under the Subordinated Loan Agreement;
- (x) as amounts received in connection with a sale of Mortgage Receivables pursuant to the Trust Deed to the extent such amounts do not relate to principal less, with respect to each Savings Mortgage Receivable, Life Mortgage Receivable with a Savings Element and Bank Savings Mortgage Receivable, an amount equal to the amount of interest received multiplied by the relevant Participation Fraction and to the extent such amounts relate to principal, but only such part that is in excess of the relevant Outstanding Principal Amount of the relevant Mortgage Receivable;
- (xi) as amounts received as post-foreclosure proceeds on the Mortgage Receivables;
- (xii) on the Monthly Payment Date on which the Mortgage-Backed Notes will be or have been redeemed in full, any (remaining) amounts standing to the credit of the Issuer Collection Account which are not included in items (i) up to and including (xi) and (xiii) on such Monthly Payment Date; and
- (xiii) as amounts to be drawn from the Swap Termination Payment Ledger and to the extent such amounts are required to meet items (f), (h), (j), (l) and (n) of the Interest Priority of Payments; **less**
- (xiv) on the first Monthly Payment Date of each year, the highest of (i) an amount equal to 10 per cent. of the annual operational expenses in the immediately preceding calendar year in accordance with items (a), (b) and (c) of the Interest Priority of Payments, but only to the extent the amount of such expenses is not directly related to the Issuer's assets and/or liabilities and (ii) an amount of euro 2,500;

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

- (a) *first*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of the fees or other remuneration due and payable to the Directors in connection with the Management Agreements and any costs, charges, liabilities and expenses incurred by the Security Trustee under or in connection with any of the Relevant Documents;
- (b) *second*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof of fees and expenses due and payable to the MPT Provider, the Defaulted Loan Servicer and the Issuer Administrator under the Issuer Services Agreement;
- (c) *third*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, (i) of any amounts due and payable to third parties under obligations incurred in the Issuer's business (other than under the Relevant Documents), including, without limitation, in or towards satisfaction of sums due or provisions for any payment of the Issuer's liability, if any, to tax (to the extent such amounts cannot be paid out of item (xii) 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, (ii) fees and expenses due to the Paying Agent and the Reference Agent under the Paying Agency Agreement and (iii) the Liquidity Facility Commitment Fee (as defined therein) under the Liquidity Facility Agreement to the Liquidity Facility Provider;

- (d) *fourth*, (i) in or towards satisfaction of any amounts due and payable to the Liquidity Facility Provider under the Liquidity Facility Agreement and to be credited to the Liquidity Facility Account, but excluding the Liquidity Facility Commitment Fee payable under (c) above and any gross-up amounts or additional amounts due under the Liquidity Facility and payable under (t) below, or (ii) following a Liquidity Facility Stand-by Drawing in or towards satisfaction of sums to be credited to the Liquidity Facility Stand-by Account;
- (e) *fifth*, in or towards satisfaction of amounts, if any, due but unpaid under the Swap Agreement (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 an Additional Termination Event (relating to the credit rating of the Swap Counterparty (a '**Swap Counterparty Default Payment**') (as such terms are defined in the Swap Agreement), including a Settlement Amount, and the Swap Subordinated Amount payable under (s) below) but excluding, for the avoidance of doubt, the payment to the Swap Counterparty of Excess Swap Collateral and any Tax Credit;
- (f) *sixth*, in or towards satisfaction *pro rata* and *pari passu*, according to the respective amounts thereof, of all amounts of interest due or interest accrued but unpaid in respect of the Senior Class A1 Notes and the Senior Class A2 Notes;
- (g) *seventh*, in or towards making good any shortfall reflected in the Class A Principal Deficiency Ledger until the debit balance, if any, on the Class A Principal Deficiency Ledger is reduced to zero;
- (h) *eighth*, in or towards satisfaction *pro rata* and *pari passu* of interest due or interest accrued but unpaid on the Mezzanine Class B Notes;
- (i) *ninth*, in or towards making good any shortfall reflected in the Class B Principal Deficiency Ledger until the debit balance, if any, on the Class B Principal Deficiency Ledger is reduced to zero;
- (j) *tenth*, in or towards satisfaction *pro rata* and *pari passu* of interest due or interest accrued but unpaid on the Mezzanine Class C Notes;
- (k) *eleventh*, 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;
- (l) *twelfth*, in or towards satisfaction *pro rata* and *pari passu* of interest due or interest accrued but unpaid on the Mezzanine Class D Notes;
- (m) *thirteenth*, 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;
- (n) *fourteenth*, in or towards satisfaction *pro rata* and *pari passu* of interest due or interest accrued but unpaid on the Junior Class E Notes;
- (o) *fifteenth*, 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;
- (p) *sixteenth*, in or towards satisfaction of any sums required to replenish the Reserve Account up to the amount of the Reserve Account Required Amount;
- (q) *seventeenth*, in or towards satisfaction *pro rata* and *pari passu* of interest due or interest accrued but unpaid in respect of the Subordinated Class F Notes;
- (r) *eighteenth*, in or towards satisfaction of principal amounts due under the Subordinated Class F Notes on the relevant Monthly Payment Date, including the Final Maturity Date;
- (s) *nineteenth*, in or towards satisfaction of the Swap Counterparty Default Payment and the Swap Subordinated Amount payable to the Swap Counterparty under the terms of the Swap Agreement;

- (t) *twentieth*, in or towards satisfaction of gross up amounts or additional amounts due, if any, to the Liquidity Facility Provider under the Liquidity Facility Agreement;
- (u) *twenty-first*, in or towards satisfaction of interest due or interest accrued but unpaid in respect of the Subordinated Loan;
- (v) *twenty-second*, in or towards satisfaction of principal due and payable but unpaid in respect of the Subordinated Loan; and
- (w) *twenty-third*, in or towards satisfaction of a Deferred Purchase Price Instalment to the Seller.

Priority of Payments in respect of principal

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

- (i) by means of repayment and prepayment in full of principal under the Mortgage Receivables from any person, but, for the avoidance of doubt, excluding prepayment penalties, if any, less, with respect to each Savings Mortgage Receivable, Life Mortgage Receivable with a Savings Element and Bank Savings Mortgage Receivable, the relevant Participation in such Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element or Bank Savings Mortgage Receivable;
- (ii) as Net Proceeds on any Mortgage Receivable to the extent such proceeds relate to principal less, with respect to each Savings Mortgage Receivable, Life Mortgage Receivable with a Savings Element and Bank Savings Mortgage Receivable, the relevant Participation in such Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element or Bank Savings Mortgage Receivable;
- (iii) in connection with a repurchase of Mortgage Receivables, whether or not as a result of the exercise of the Clean-Up Call Option or the Regulatory Call Option, pursuant to the Mortgage Receivables Purchase Agreement and any other amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal less, with respect to each Savings Mortgage Receivable, Life Mortgage Receivable with a Savings Element and Bank Savings Mortgage Receivable, the relevant Participation in such Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element or Bank Savings Mortgage Receivable;
- (iv) in connection with a sale of Mortgage Receivables pursuant to the Trust Deed to the extent such amounts relate to principal but up to the aggregate Outstanding Principal Amount of such Mortgage Receivables less, with respect to each Savings Mortgage Receivable, Life Mortgage Receivable with a Savings Element and Bank Savings Mortgage Receivable, the relevant Participation in such Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element or Bank Savings Mortgage Receivable;
- (v) as amount to be credited to the Principal Deficiency Ledger on the immediately succeeding Monthly Payment Date in accordance with the Interest Priority of Payments;
- (vi) as Monthly Participation Increase pursuant to the relevant Sub-Participation Agreement and as consideration for the relevant Initial Participation;
- (vii) as partial prepayment in respect of Mortgage Receivables;
- (viii) any part of the Notes Redemption Available Amount calculated on the immediately preceding Monthly Calculation Date which has not been applied towards redemption of the Mortgage-Backed Notes on the preceding Monthly Payment Date;
- (ix) as amounts equal to the excess (if any) of (a) the sum of the aggregate proceeds of the issue of the Mortgage-Backed Notes and the Initial Participations in respect of the Savings Mortgage Loans and Life Mortgage Loans with a Savings Element and the Bank Savings Mortgage Loans purchased on the

Closing Date over (b) the Initial Purchase Price of the Mortgage Receivables purchased on the Closing Date; and

- (x) any amounts received on the Issuer Collection Account from the credit balance of the Construction Account in accordance with the Mortgage Receivables Purchase Agreement,

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

- (a) sequentially, *first*, in or towards satisfaction of principal amounts due under the Senior Class A1 Notes on the relevant Monthly Payment Date until fully redeemed and, *second*, the Senior Class A2 Notes on the relevant Monthly Payment Date until fully redeemed;
- (b) *second*, in or towards satisfaction *pro rata* and *pari passu* of principal amounts due under the Mezzanine Class B Notes on the relevant Monthly Payment Date until fully redeemed;
- (c) *third*, in or towards satisfaction *pro rata* and *pari passu* of principal amounts due under the Mezzanine Class C Notes on the relevant Monthly Payment Date until fully redeemed;
- (d) *fourth*, in or towards satisfaction *pro rata* and *pari passu* of principal amounts due under the Mezzanine Class D Notes on the relevant Monthly Payment Date until fully redeemed; and
- (e) *fifth*, in or towards satisfaction *pro rata* and *pari passu* of principal amounts due under the Junior Class E Notes on the relevant Monthly Payment Date until fully redeemed.

Priority of Payments upon Enforcement

Following delivery of an Enforcement Notice any amounts payable by the Security Trustee under the Trust Deed, other than in respect of the Participations, will be paid to the Secured Parties (including the Noteholders, but excluding the Savings Insurance Company and the Bank Savings Participant, which shall be entitled to receive an amount equal to the relevant Participation in each of the Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element and Bank Savings Mortgage Receivables or if the amount recovered, which amount will not be part of this Priority of Payments upon Enforcement, is less than the relevant Participation, then an amount equal to the amount actually recovered) in the following order of priority (after deduction of costs incurred by the Security Trustee, which will include, *inter alia*, fees and expenses of the Rating Agencies and any legal advisor, auditor and accountant appointed by the Security Trustee) (and in each case only if and to the extent payments of a higher priority have been made in full) (the **'Priority of Payments upon Enforcement'**):

- (a) *first*, in or towards satisfaction, of the repayment of any Liquidity Facility Stand-by Drawing due and payable but unpaid under the Liquidity Facility Agreement;
- (b) *second*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of (i) the fees or other remuneration due to the Directors in connection with the Management Agreements, (ii) the fees and expenses of the Paying Agent and the Reference Agent incurred under the provisions of the Paying Agency Agreement and (iii) the fees and expenses of the MPT Provider, the Issuer Administrator and the Defaulted Loan Servicer under the Issuer Services Agreement;
- (c) *third*, in or towards satisfaction of any sums due and payable but unpaid under the Liquidity Facility Agreement but excluding any Liquidity Facility Stand-by Drawing payable under (a) above and including any gross-up amounts or additional amounts due under the Liquidity Facility Agreement;
- (d) *fourth*, in or towards satisfaction of amounts, if any, due but unpaid to the Swap Counterparty under the Swap Agreement including any Settlement Amounts (as defined therein) to be paid by the Issuer upon early termination of the Swap Agreement as determined in accordance with its terms but excluding any Swap Counterparty Default Payment and any Swap Subordinated Amount payable under subparagraph (p) below, excluding, for the avoidance of doubt, the payment to the Swap Counterparty of Excess Swap Collateral and/or any Tax Credit;

- (e) *fifth, pro rata and pari passu*, according to the respective amounts thereof, in or towards satisfaction of all amounts of interest due or interest accrued but unpaid in respect of the Senior Class A1 Notes and the Senior Class A2 Notes;
- (f) *sixth, pro rata and pari passu*, according to the respective amounts thereof, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Senior Class A1 Notes and the Senior Class A2 Notes;
- (f) *seventh, pro rata and pari passu*, in or towards satisfaction of all amounts of interest due or interest accrued but unpaid in respect of the Mezzanine Class B Notes;
- (g) *eighth, pro rata and pari passu*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Mezzanine Class B Notes;
- (h) *ninth, pro rata and pari passu*, in or towards satisfaction of all amounts of interest due or interest accrued but unpaid in respect of the Mezzanine Class C Notes;
- (i) *tenth, pro rata and pari passu*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Mezzanine Class C Notes;
- (j) *eleventh, pro rata and pari passu*, in or towards satisfaction of all amounts of interest due or interest accrued but unpaid in respect of the Mezzanine Class D Notes;
- (k) *twelfth, pro rata and pari passu*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Mezzanine Class D Notes;
- (l) *thirteenth, pro rata and pari passu*, in or towards satisfaction of all amounts of interest due or interest accrued but unpaid in respect of the Junior Class E Notes;
- (m) *fourteenth, pro rata and pari passu*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Junior Class E Notes;
- (n) *fifteenth, pro rata and pari passu*, in or towards satisfaction of all amounts of interest due or interest accrued but unpaid in respect of the Subordinated Class F Notes;
- (o) *sixteenth, pro rata and pari passu*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Subordinated Class F Notes;
- (p) *seventeenth*, in or towards satisfaction of the Swap Counterparty Default Payment and the Swap Subordinated Amount payable to the Swap Counterparty under the terms of the Swap Agreement;
- (q) *eighteenth*, in or towards satisfaction of all amounts of interest due, interest accrued and principal due but unpaid in respect of the Subordinated Loan; and
- (r) *nineteenth*, in and towards satisfaction of any Deferred Purchase Price Instalment to the Seller.

Subordinated Loan

On the Closing Date the Seller will make available to the Issuer the Subordinated Loan. The Subordinated Loan will be in an amount of euro 2,750,000 and will be used by the Issuer to pay certain initial costs and expenses in connection with the issue of the Notes.

Liquidity Facility

On the Closing Date, the Issuer will enter into the Liquidity Facility Agreement with the Liquidity Facility Provider. The Issuer will be entitled on any Monthly Payment Date (other than on (i) an Monthly Payment Date if and to the extent the Mortgage-Backed Notes are redeemed in full on such Monthly Payment Date or (ii) the Final Maturity Date) to make drawings under the Liquidity Facility Agreement up to the Liquidity Facility Maximum Amount (as defined below). The Liquidity Facility Agreement is for a maximum term of 364 days. The commitment of the Liquidity Facility Provider is extendable at the request of the Issuer at its option. Any drawing under the Liquidity Facility Agreement by the Issuer shall only be made on a Monthly Payment Date if and to the extent that, after the application of amounts available on the Reserve Account and without taking into

account any drawing under the Liquidity Facility, there is a shortfall in the Notes Interest Available Amount to meet items (a) to (n) (inclusive), but not items (g), (i), (k) and (m) in the Interest Priority of Payments in full on that Monthly Payment Date, provided that no drawing may be made to meet item (h) if there is a debit balance on the Class B Principal Deficiency Ledger and no drawing may be made to meet item (j) if there is a debit balance on the Class C Principal Deficiency Ledger and no drawing may be made to meet item (l) if there is a debit balance on the Class D Principal Deficiency Ledger and no drawing may be made to meet item (n) if there is a debit balance on the Class E Principal Deficiency Ledger. Certain payments to the Liquidity Facility Provider will rank in priority in respect of payments and security to *inter alia* the Notes. If a Liquidity Facility Stand-by Drawing is to be repaid by the Issuer, such repayment shall be made by the Issuer from the Liquidity Facility Stand-by Account directly to the Liquidity Facility Provider (outside of the Interest Priority of Payments).

If, (a) at any time, (i) the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Liquidity Facility Provider are assigned a rating of less than the Short Term Requisite Rating or any such rating is withdrawn and (ii) within 30 calendar days of such downgrading the Liquidity Facility Provider is not replaced with an alternative Liquidity Facility Provider whose short-term unsecured, unsubordinated and unguaranteed debt obligations are assigned at least a rating equal to the Short Term Requisite Rating or alternatively the Liquidity Facility Provider has procured that a guarantee for its obligations in favour of the Issuer has been issued in accordance with the guarantee criteria of S&P, or (b) the Liquidity Facility Provider has refused to extend the Liquidity Facility Agreement upon the Issuer's request, or (c) the Issuer has requested that the Liquidity Facility Provider transfer its rights and obligations under the Liquidity Facility Agreement to a third party, and the Liquidity Facility Provider has not immediately been replaced with a liquidity facility provider having the Short Term Requisite Rating, the Issuer will be required forthwith to draw down the entirety of the undrawn portion under the Liquidity Facility Agreement (a '**Liquidity Facility Stand-by Drawing**') and credit such amount to the Liquidity Facility Stand-by Account. Amounts so credited to the Liquidity Facility Stand-by Account may be utilised by the Issuer in the same manner as a drawing under the Liquidity Facility Agreement.

For these purposes, '**Liquidity Facility Maximum Amount**' means, on each Monthly Calculation Date, 2.5 per cent. of the aggregate Principal Amount Outstanding of the Mortgage-Backed Notes, on such date.

Principal Deficiency Ledger

A Principal Deficiency Ledger comprising five 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 and the Class E Principal Deficiency Ledger) will be established by or on behalf of the Issuer in order to record Realised Losses (a '**Principal Deficiency**'). An amount equal to any Realised Loss will be debited to the Class E Principal Deficiency Ledger (such debit items being credited at item (o) 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 aggregate Principal Amount Outstanding of the Junior Class E Notes and thereafter such amounts will be debited, to the Class D Principal Deficiency Ledger (such debit items being credited at item (m) 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 aggregate Principal Amount Outstanding of the Mezzanine Class D Notes and thereafter such amounts will be debited, to the Class C Principal Deficiency Ledger (such debit items being credited at item (k) 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 aggregate Principal Amount Outstanding of the Mezzanine Class C Notes and thereafter such amounts will be debited to the Class B Principal Deficiency Ledger (such debit items being credited at item (i) 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 aggregate Principal Amount Outstanding of the Mezzanine Class B Notes and thereafter such amounts will be debited to the Class A Principal Deficiency Ledger (in each case such debit items being credited at item (g) of the Interest Priority of Payments, to the extent any part of the Notes Interest Available Amount is available for such purpose).

The Senior Class A Notes comprise of the Senior Class A1 Notes and the Senior Class A2 Notes and the Senior Class A1 Notes and the Senior Class A2 Notes rank *pari passu* and *pro rata* without any preference or priority among all Notes of such Class in respect of the Security and payments of interest. Provided that no Enforcement Notice has been given, payments of principal on the Senior Class A Notes are applied firstly to the Senior Class A1 Notes and then to the Senior Class A2 Notes. To the extent that the Notes Redemption Available Amount is insufficient to redeem the Senior Class A1 Notes and/or the Senior Class A2 Notes in full when due in accordance with the Conditions for a period of fifteen days or more, this will constitute an Event of Default in

accordance with Condition 10(a). The Senior Class A2 Notes do not therefore purport to provide credit enhancement to the Senior Class A1 Notes. If, on any date, the Security is to be enforced and the proceeds of the enforcement would be insufficient to fully redeem the Senior Class A Notes in full, such loss will be borne, *pro rata* and *pari passu*, by the holders of the Senior Class A Notes. If the Senior Class A1 Notes have been redeemed (in part or in full) at such time, this will result in the Senior Class A2 Notes bearing a greater loss than that borne by the Senior Class A1 Notes.

'Realised Losses' means, on any Monthly Payment Date, the sum of (a) the amount of the difference between (i) the aggregate Outstanding Principal Amount in respect of Mortgage Receivables less, with respect to the Savings Mortgage Receivables and the Life Mortgage Receivables with a Savings Element and the Bank Savings Mortgage Receivables, the relevant Participations, on which the Seller or the Defaulted Loan Servicer or the Issuer has foreclosed during the immediately preceding Monthly Calculation Period and (ii) the sum of (x) the Net Proceeds on such Mortgage Receivables other than the Savings Mortgage Receivables and the Life Mortgage Receivables with a Savings Element and the Bank Savings Mortgage Receivables and (y) the Net Proceeds on such Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element and Bank Savings Mortgage Receivables up to the amount of the relevant Savings Mortgage Receivables or Life Mortgage Receivables with a Savings Element or Bank Savings Mortgage Receivables less the relevant Participations and (b) with respect to Mortgage Receivables sold by the Issuer during the immediately preceding Monthly Calculation Period, the amount of the difference, if any, between (x) the aggregate Outstanding Principal Amount, less with respect to such Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element and Bank Savings Mortgage Receivables, the relevant Participations, and (y) the purchase price received in respect of such Mortgage Receivables to the extent relating to the principal less, with respect to the Savings Mortgage Receivables and the Life Mortgage Receivables with a Savings Element and the Bank Savings Mortgage Receivables, the relevant Participations and (c) with respect to the Mortgage Receivables in respect of which the Borrower has successfully asserted set-off or defence or to payments or (p)repaid any amounts, the amount by which the Mortgage Receivables have been extinguished ("*teniet gegaan*") as a result thereof unless and to the extent such amount is received from the Seller or otherwise pursuant to any items (i) and (iii) of the Notes Redemption Available Amount.

Interest Rate Hedging

The Mortgage Loan Criteria require that all Mortgage Receivables bear a fixed rate of interest, subject to a reset from time to time, or a floating rate of interest. The interest rate payable by the Issuer with respect to the Notes is calculated as a margin over Euribor. The margin on the Mortgage-Backed Notes will be reset on the first Optional Redemption Date. The Issuer will mitigate this interest rate exposure on the Mortgage-Backed Notes by entering into the Swap Agreement with the Swap Counterparty. The interest rate exposure in respect of the Subordinated Class F Notes will not be mitigated by the Swap Agreement.

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

- (a) the aggregate amount of interest on the Mortgage Receivables scheduled to be paid during the immediately preceding Mortgage Calculation Period less, with respect to each Savings Mortgage Receivable and each Life Mortgage Receivable with a Savings Element and each Bank Savings Mortgage Receivable, an amount equal to the scheduled interest multiplied by the relevant Participation Fraction (the '**Scheduled Interest** '); and
- (b) the interest accrued and received on the Issuer Collection Account; and
- (c) the aggregate amount of the penalty interest and any prepayment penalties received during the immediately preceding Mortgage Calculation Period; *less*
- (y) an excess margin of 0.50 per cent. per annum applied to the aggregate Principal Amount Outstanding of the Mortgage-Backed Notes on the first day of the relevant Floating Rate Interest Period divided by twelve (the '**Excess Margin**'); and
- (z) the operating expenses set out in items (a) up to and including (c) of the Interest Priority of Payments payable during each calendar year divided by twelve.

In addition, the Issuer will agree to pay on each Monthly Payment Date an amount equal to the positive difference between (i) the actual operating expenses set out in items (a) up to and including (c) of the Interest Priority of Payments payable during each calendar year divided by twelve on such Monthly Payment Date and

(ii) the operating expenses set out in items (a) up to and including (c) of the Interest Priority of Payments payable during each calendar year divided by twelve on the first Monthly Payment Date (the '**Swap Subordinated Amount**').

The Swap Counterparty will agree to pay to the Issuer on each Monthly Payment Date amounts equal to the scheduled interest due under the Mortgage-Backed Notes on such Monthly Payment Date, and calculated by reference to the Rates of Interest applied to the Principal Amount Outstanding of the relevant Class of Notes (as reduced by any outstanding debit balances on the respective sub-ledgers of the Principal Deficiency Ledger, whereby in the event of a balance on the Class A Principal Deficiency Ledger, such balance will be subdivided between the Senior Class A1 Notes and the Senior Class A2 Notes *pro rata* by reference to the Principal Amount Outstanding of the Senior Class A1 Notes and the Senior Class A2 Notes up to the Principal Amount Outstanding) on the first day of the relevant Floating Rate Interest Period. The interest on the Subordinated Class F Notes will not be hedged.

Adjustment of Swap Amounts

If on any Monthly Payment Date, the sum of interest actually received and interest (including penalties) recovered on the Mortgage Receivables, less in case of a Savings Mortgage Receivable and a Life Mortgage Receivable with a Savings Element and a Bank Savings Mortgage Receivable, the amount received multiplied by the relevant Participation Fraction (the '**Interest Received**'), falls short of Scheduled Interest, the payment obligation of the Issuer will be reduced with an amount equal to such shortfall. In such event the payment of the Swap Counterparty on such Monthly Payment Date will be adjusted accordingly on a euro for euro basis. Such reduction could result in the Issuer not having sufficient funds available to meet its payment obligations in accordance with the priorities described above on such Monthly Payment Date. For the avoidance of doubt, there will be no adjustment if the amount of Interest Received exceeds the amount of Scheduled Interest.

The Swap Agreement provides for payment netting in respect of payments to be made by the Issuer and the Swap Counterparty respectively on a Monthly Payment Date and provides for close-out netting upon termination of the Swap Agreement.

The Swap Agreement will be documented under an ISDA Master Agreement. The Swap Agreement may be terminated in accordance with Events of Default and Termination Events (each as defined in the relevant ISDA Master Agreement) commonly found in standard ISDA documentation for such transactions. 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 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 that the Swap Counterparty is required to withhold or deduct an amount in respect of tax from payments due from it to the Issuer, the Swap Counterparty will be required pursuant to the terms of the Swap Agreement to pay to the Issuer such additional amounts as are required to ensure that the Issuer receives the same amounts that it would have received had such withholding or deduction not been made.

In either event, the Swap Counterparty will 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.

The Issuer may pay any termination payment to the Swap Counterparty on any date other than a Monthly Payment Date provided that the Issuer has received such amount as initial swap payment from the relevant replacement swap counterparty.

Any amounts received by the Issuer from the Swap Counterparty whether or not through application of any collateral upon early termination of the Swap Agreement will be held on the Issuer Collection Account with a corresponding credit to a ledger known as the '**Swap Termination Payment Ledger**'. Amounts standing to the credit of the Swap Termination Payment Ledger will be available (i) to make an initial swap payment to a replacement swap counterparty on any date other than an Monthly Payment Date or (ii) as part of the Notes Interest Available Amount if and to the extent (a) for so long no such replacement swap counterparty is available at such time, such amount is required to satisfy items (f), (h), (j), (l) and (n) of the Interest Priority of Payments and (b) to make an initial swap payment to a replacement swap counterparty on an Monthly Payment Date. Any remaining amount standing to the Swap Termination Payment Ledger will be released and will be form part of the Notes Interest Available Amount on the Monthly Payment Date on which (i) a new swap agreement has been entered into and the initial swap payment, if any, has been paid or (ii) the Mortgage-Backed Notes have been redeemed in full.

Downgrade of Swap Counterparty

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 pursuant to the Credit Support Annex to the Swap Agreement entered into by the Issuer and the Swap Counterparty on the basis of the standard ISDA documentation (which provides for requirements relating to the providing of collateral by the Swap Counterparty), arranging for its obligations under the Swap Agreement to be transferred to an entity with the required ratings, procuring another entity with at least the swap required ratings to become joint-obligor in respect of its obligations under the Swap Agreement, or the taking of such other action as it may agree with the Rating Agencies. A failure to take such steps, subject to certain conditions, will give the Issuer the right to terminate the Swap Agreement.

Any Excess Swap Collateral will promptly be returned to such Swap Counterparty outside the Interest Priority of Payments. If the Issuer receives any Tax Credit resulting from the payment of any withholding tax by the Swap Counterparty, the Issuer shall pay the cash benefit of such Tax Credit to the Swap Counterparty outside the Interest Priority of Payments.

Any capitalised term above but not defined herein shall have the meaning given to it in the Swap Agreement.

Sale of Mortgage Receivables

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

Sale of Mortgage Receivables on an Optional Redemption Date

Under the terms of the Trust Deed, the Issuer will have the right to sell and assign all but not some of the Mortgage Receivables on each Optional Redemption Date to a third party, provided in any case that the Issuer shall apply the proceeds of such sale to redeem the Mortgage-Backed Notes (see Condition 6(e)). The Issuer may only sell and assign all but not some of the Mortgage Receivables, provided that in accordance with Condition 6(e) the proceeds of such sale are sufficient to redeem the Senior Class A Notes at their Principal Amount Outstanding and the other Classes of Mortgage-Backed Notes at their Principal Amount Outstanding less the relevant Principal Shortfall. The purchase price of the Mortgage Receivables shall be equal to at least the Outstanding Principal Amount of the relevant Mortgage Receivable, together with accrued interest due but unpaid and, if the Mortgage Receivables are repurchased by the Seller, any costs incurred by the Issuer in effecting and completing such sale and assignment, if any, except that with respect to Mortgage Receivables which are in arrears for a period exceeding 90 days or in respect of which an instruction has been given to the civil-law notary to start foreclosure proceedings, the purchase price shall be at least the lesser of (a) the sum of the Outstanding Principal Amount, together with accrued interest due but unpaid, if any, and any other amount

due under the Mortgage Conditions up to the relevant date of such sale or repurchase and (b) an amount equal to the foreclosure value of the Mortgaged Assets or, if no valuation report of less than 12 months old is available, the indexed foreclosure value plus any other collateral, including the relevant Participation, if any. If the Mortgage Receivables are purchased by another party than the Seller, any costs incurred by the Issuer in effecting and completing the sale and assignment of the Mortgage Receivables, if any, will be for the account of such party, to the extent acceptable to such party.

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

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

Sale of Mortgage Receivables if the Regulatory Call Option is exercised

On each Monthly Payment Date, the Seller has the option to exercise the Regulatory Call Option. The purchase price of the Mortgage Receivables will be at least equal to the Outstanding Principal Amount in respect of the relevant Mortgage Receivables together with any accrued interest up to but excluding the date of repurchase and re-assignment of the Mortgage Receivables and reasonable costs relating thereto (including any costs incurred by the Issuer in effecting and completing such sale and re-assignment). The proceeds of such sale shall be applied by the Issuer towards redemption of the Mortgage-Backed Notes in accordance with Condition 6(b) and subject to Condition 9(b).

Sale of Mortgage Receivables for tax reasons

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

Sale of Mortgage Receivables if the Seller is obliged to repurchase

If the Seller is obliged to repurchase any Mortgage Receivable(s) pursuant to the Mortgage Receivables Purchase Agreement, the purchase price of the Mortgage Receivables will be calculated in the same manner as described in *Sale of Mortgage Receivables if the Regulatory Call Option is exercised* above.

OVERVIEW OF THE DUTCH HOUSING AND RESIDENTIAL MORTGAGE MARKET

The Netherlands has one of the most liberal mortgage markets in the EU. This has resulted in a wide range of mortgage products and a high degree of competition between mortgage providers. Dutch consumers have a wide range of choice in a mortgage market that has certain characteristics that it does not share with other mortgage markets in Europe. Historic practices, culture and most importantly tax legislation especially that pertaining to the deductibility of mortgage interest, have shaped the Dutch residential mortgage market.

Unlike the UK mortgage market in which mortgages (while evolving) remain predominantly floating-rate, Dutch mortgages are predominantly of a fixed rate nature and typically are set for a period of between five (5) and twenty (20) years. The historically low mortgage interest rate in 2005 has proved an additional incentive to opt for mortgages with a long-term fixed interest rate (up to as much as 30 years, which gives people almost life-long certainty). For this reason Dutch mortgage consumers are relatively well insulated against interest rate shocks.

Over recent years, outstanding mortgage loans have continued to increase, even though housing prices declined by a few percent. The market is still supported by a gradual increase in the levels of owner-occupation and an environment of low mortgage interest rates. Chart 1 below shows that the level of outstanding residential mortgage debt in the Netherlands reached EUR 611 billion medio 2009 (excluding mortgages on commercial property).

Increased competition and the deregulation of the Dutch financial market have resulted in the development of tailor-made mortgage loans consisting of various parts and features. Because of the credit crisis the more risk seeking products are taken from the market. The mortgage products offered by lenders reflect the (until 2001) full tax deductibility of mortgage interest and have encouraged borrowers to defer repayment of principal for as long as possible. This is evidenced by relatively high loan to value ratios and the extensive use of non-amortising mortgage products, which give full tax benefits for the whole maturity of the mortgage without the need to redeem the mortgage. Borrowers often have considerable investments and savings available but choose not to use such funds to acquire a house or to repay their mortgage but instead to minimise their tax liabilities.

Dutch citizens that take out a mortgage to buy a house for which the total costs do not exceed EUR 350,000 are eligible for the National Mortgage Guarantee, which is provided by the WEW. Under the NHG Guarantee, the WEW guarantees the repayment of the mortgage to the lender. (Source: ING Bank 2009 based on ECB and McKinsey figures and *Nationale Hypotheek Garantie* website)

In relation to the Dutch mortgage market, mortgage loan related savings products ("*kapitaalverzekering eigen woning*") are relevant because the interest arising from such insurance is exempt from taxation, provided certain conditions are met. Furthermore, the mortgage loan provider may treat the mortgage loan related savings products as collateral for the mortgage loan, which is an additional explanation for the relatively high loan to value ratio in the Netherlands. Since 1 January 2008, this has also applied for banking products related to mortgage redemption ("*spaarrekening eigen woning*").

As of January 2001, mortgage tax deductibility has been limited by new tax legislation in three areas. Firstly, deductibility applies only to mortgages on the borrower's primary residence and not to second homes such as holiday homes. Secondly, interest deductibility on a mortgage loan for a principal residence is only allowed for periods of up to thirty (30) years. Lastly, the top tax rate has been reduced from 60% to 52%. However, these changes did not have a significant impact on the rate of mortgage origination, mainly because of the then ongoing decrease of mortgage interest rates.

On top of the limitations that came into force in 2001, tax deductibility of mortgage interest payments has been further restricted as of 1 January 2004. Under this new regulation (*Bijleenregeling*), tax deductibility is now only granted up to the purchase price of the new house less the realised net profit on the old house. Unlike the limitations of 2001, the recent restrictions set out in that regulation will probably have a bigger impact. As from 1 January 2004 moving homeowners are encouraged to reinvest increased amounts of any of the net profits they make from the sale of their previous house into their new house.

Because of that regulation, first time buyers now have an incentive never to pay off any part of their mortgage loan as this limits the amount they have to reinvest in their subsequent homes. This unintentional side effect of the new tax regulations can stimulate future mortgage production. On the other hand, the limitation of interest rate deductibility will probably have a downward impact on total mortgage debt in the medium to long term. Realised profits will have to be reinvested in the housing market, which will result in a larger share of home equity and a reduction in the total tax advantage.

During 2009 the national government created a working group to analyse housing market. The aim of the working group is to find solutions for the increasing national debt position. The views of the working group will be presented in spring 2010. Even though the report of the working group still has to be written, the market should not count on incentives to increase mortgage production. Furthermore the market supervisor AFM opted for a risk decrease for consumers. This may result in a tightening of the credit rules for customers buying a house.

The number of involuntary sales of residential property by public auction is traditionally very small in the Netherlands. Especially in the second half of the 1990s, when the demand for residential property was exceptionally strong, house sales by auction, even in case of a forced sale, almost never occurred or were required. Moreover, the 1990s were characterised by very good employment conditions and a continuing reduction of mortgage interest rates. In the years before the recent cooling-down of the housing market, the total number of foreclosures was therefore limited from two sides.

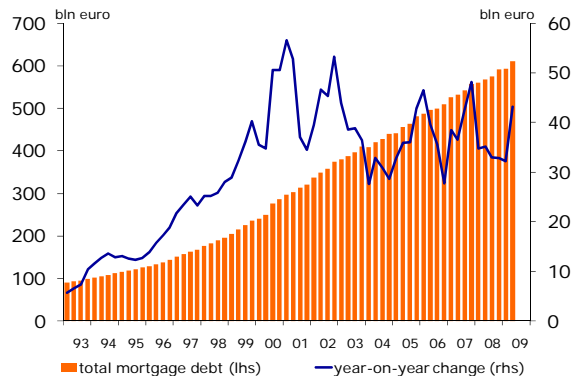
The relatively prolonged economic downturn of 2001 to 2005 led to a significant rise in the amount of mortgage payment arrears and correspondingly forced house sales (see Chart 5). The number of foreclosures in the Netherlands reported by the Land Registry (*Kadaster*) rose from 695 in 2002 to about 2000 forced sales from 2005 onwards. This increase was mainly the result of a structural change in the Dutch mortgage market during the nineties. Instead of selling single income mortgages only, lenders were allowed to issue double income mortgages as well. Off course, whenever a relationship is less permanent than expected a forced sale is more likely than it used to be. Recently the number of forced sales increased to 2,172 during the past 12 months. This is a consequence of the credit crisis and the linked expected upswing in unemployment. Nevertheless, mortgage payment deficiencies for the Netherlands are the lowest in Europe, and the recent increases are still small.

Even though in a relative sense the increase over the last years is substantial, the absolute number of forced sales is obviously still extremely small compared to the total number of residential mortgage loans outstanding. There are no precise data of the number of residential mortgage loans outstanding in the Netherlands. However, based on the published total amount of residential mortgage debt outstanding and the current average mortgage loan amount it is estimated that the total number of residential mortgage loans outstanding in the Netherlands is exceeding 3 million. A total of around 2,200 foreclosures per year therefore corresponds with approximately 0.07% of the total number of residential mortgage loans outstanding.

In the unforeseen case that the number of foreclosures was to increase dramatically, this could have a negative effect on house prices. Decreasing house prices could in turn increase loss levels should a borrower default on its mortgage obligations.

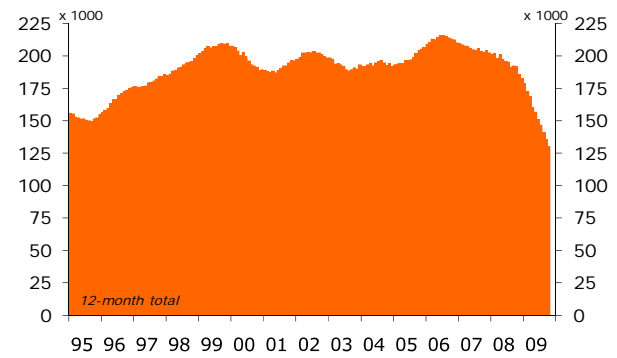
However the number of foreclosures (Chart 5) as a percentage of total house sales (Chart 2) still only amounts to 1.6% (end of September 2009). This is clearly too small a portion to be of any real impact on the development of house prices. As a result of the credit crisis the Dutch housing prices are declining by a few percent. From peak-to-present the price decline is 6% and the market is stabilizing at the moment. As in other countries, the economic recession has ended in the Netherlands. Consumer confidence is still low, but rising, which may boost housing transactions in the future. Furthermore the Dutch housing market is characterised by a large discrepancy between demand and supply, which mitigates a negative effect on house prices.

Chart 1: Total mortgage debt



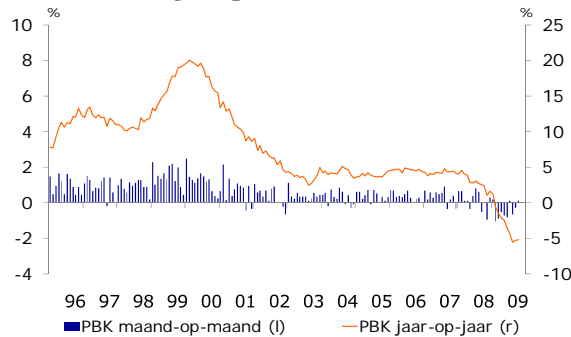
Source: DNB, Rabobank

Chart 2: Number of residential real estate transactions



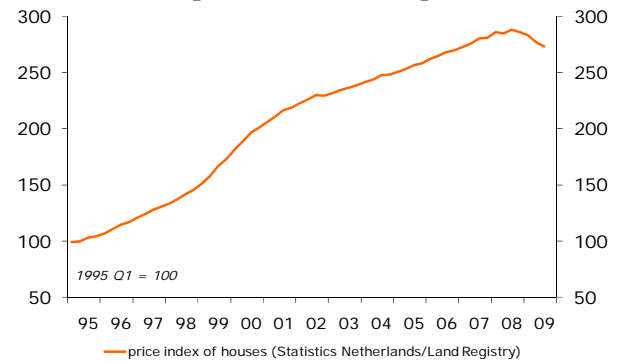
Source: Land Registry, Rabobank

Chart 3: Change in price index



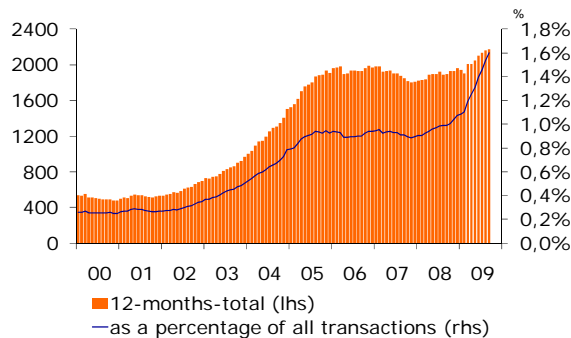
Source: Statistics Netherlands/Land Registry, Rabobank

Chart 4: Development Dutch house prices



Source: Statistics Netherlands/Land Registry, Rabobank

Chart 5: Number of foreclosures



Source: Land Registry, Rabobank

DELTA LLOYD

1. INTRODUCTION

The Group

Delta Lloyd N.V. ('**Delta Lloyd**') and its subsidiaries (together with Delta Lloyd: the '**Group**') form a financial services provider offering life insurance, general insurance, fund management and banking products and services with its core markets being the Netherlands and Belgium. In 2008, in the Netherlands, the Group was the fifth largest provider of life insurance by gross written premiums (third in group life and fifth in individual life), and the fourth largest provider of general insurance by gross written premiums (excluding health insurance) in 2007 (source: AM Jaarboek 2008). The Group's fund management business line's product offerings include a range of third party investment funds for institutional and retail customers and discretionary mandates for institutional customers. The Group also has operations in Germany. The Group is considering its strategic options in Germany, which may include a sale. As at 30 June 2009, the Group employed a total number of 6,913 permanent and temporary FTE's.

The Group employs a multi-brand, multi-channel strategy in the Netherlands in order to position itself advantageously in different distribution channels and customer and pricing segments in the insurance market. The primary differences among the Group's three principal Dutch brands (Delta Lloyd, ABN AMRO Insurance and OHRA) result from the positioning, pricing, marketing and distribution of their products. Through the Delta Lloyd brand, the Group targets retail and commercial customers in the middle to premium range of the life and general insurance markets, distributing primarily through intermediaries. Through the ABN AMRO Insurance brand, the Group generally targets individuals, but has some group and commercial customers, in the middle range of the life and general insurance markets, leveraging the distribution network of ABN AMRO Bank. Through the OHRA brand, the Group offers commodity products in the life and general insurance markets, distributing primarily through direct channels such as call centres and the internet. In Belgium and Germany, the Group distributes its insurance products through intermediaries and tied agents (agents who sell only products of the Group). In Belgium, the Group also distributes through its own network of bank branches.

The Group has extensive distribution networks with large customer bases in the Netherlands and Belgium, which it believes will provide the platform for the Group to continue to grow in those mature markets. In addition, the Group has maintained a strong capital position through the recent economic downturn. The Group seeks to grow through a combination of organic growth and targeted acquisitions.

Listing Delta Lloyd

As of 3 November 2009 Delta Lloyd obtained a listing of its ordinary shares on Euronext Amsterdam.

Delta Lloyd has issued a prospectus, dated 19 October 2009, in relation to the listing of its ordinary shares. For a complete description of Delta Lloyd and the Group, reference is made to that prospectus. This prospectus can be obtained via www.deltalloydgroep.com.

2. CORPORATE GOVERNANCE

Delta Lloyd has a two-tier board structure consisting of an executive board and a supervisory board, in accordance with the Dutch full large company regime ("*volledig structuurregime*") applicable to it. The executive board is the executive body and is responsible for the day-to-day management and for Delta Lloyd's strategy, policy and operations. The supervisory board supervises and advises the executive board. Additionally, as the full large company regime is applicable, the supervisory board appoints members of the executive board. The supervisory board's approval is required for certain important decisions of the executive board. The members of the supervisory board are appointed by the general meeting based on nominations by the supervisory board. The general meeting and the works council of Delta Lloyd may recommend candidates to the supervisory board to be nominated as supervisory board members .

3. SHAREHOLDERS

In connection with the listing Delta Lloyd and its shareholders (Aviva plc and Stichting Fonds NutsOhra) agreed to restructure Delta Lloyd's share capital. Following the restructuring Aviva plc will indirectly have 53% or 57% of the voting rights in Delta Lloyd, depending on whether the over-allotment option was exercised. Stichting Fonds NutsOhra will have 8% of the voting rights.

4. BUSINESS LINES, BANKING BUSINESS AND POSITION AMSTELHUYTS

Business Lines

The table below shows the primary markets, products, distribution methods and other key features of the Group's business from a divisional point of view and how these activities map onto the four core business lines, which each represent a reporting segment in the financial statements:

Division	Geographical market	Business Line(s)	Primary distribution channel
Delta Lloyd Insurance	The Netherlands	Life Insurance, General Insurance	Intermediaries
ABN AMRO Insurance	The Netherlands	Life Insurance, General Insurance	Bancassurance, ⁽¹⁾ Intermediaries
OHRA ⁽²⁾	The Netherlands	Life Insurance, General Insurance	Direct
Delta Lloyd Asset Management	The Netherlands, Belgium, Germany	Fund Management	Retail: distributed by banks (not exclusive) Institutional: dedicated sales force
Delta Lloyd Banking	The Netherlands Belgium	Banking Banking	Intermediaries, direct Branches, tied agents, direct
Delta Lloyd Life	Belgium	Life Insurance, General Insurance	Intermediaries, Bancassurance, tied agents
Delta Lloyd Germany	Germany	Life Insurance	Intermediaries, tied agents

(1) Meaning a bank's distribution network, including branches, call centres, financial centres and internet platforms.

(2) Including Delta Lloyd Groep Particuliere Schadeverzekeringen N.V., which is responsible for the Group's shared back office functions.

Banking Business Line

The Group's banking business line accounted for 2% of the Group's net operational result for the six months ended 30 June 2009 and had a negative contribution to the Group's net operational result for the year ended 31 December 2008. The Group's banking business line offers a range of banking products and services in the Netherlands and Belgium. The Group also has a small private bank in Germany. Its banking products and services in the Netherlands primarily include mortgage loans, as well as savings and "*bancaire lijfrente*" distributed through intermediaries and direct channels. In the Netherlands, the Group uses Amstelhuys (a wholly-owned subsidiary of Delta Lloyd which is not included in the banking business line) as originator of most of its residential mortgage loans and as a funding vehicle.

Amstelhuys and its position in the Group

Amstelhuys is a wholly-owned subsidiary of Delta Lloyd. Amstelhuys is fully consolidated in Delta Lloyd's annual accounts. On 7 July 1999 Delta Lloyd issued a statement of joint and several liability pursuant to Section 2:403 of the Netherlands Civil Code. As a result thereof, Delta Lloyd assumes joint and several liability for any liabilities arising from legal acts of Amstelhuys. The statutory objectives of Amstelhuys are: (i) obtaining funds, with a term of two years or longer of non public companies or institutions and (ii) granting mortgage loans to private persons and companies. Amstelhuys is not a bank and therefore is not licensed as such and its operations are not subject to the general prohibition of attracting repayable funds from outside a restricted circle from other parties than professional market parties. It holds a licence under the Wft as an offeror ("*aanbieder*") of credit ("*krediet*").

Amstelhuys is the originator of most residential mortgages issued by the Group in the Netherlands. Prior to the credit crisis, Amstelhuys used securitisations of existing mortgages to fund a significant portion of its mortgage business. As a result of the securitisation market being inactive, the Group's primary source of funding for its Dutch banking operations (including Amstelhuys) has shifted since 2007 from the securitisation of mortgages through Amstelhuys, to alternative sources including intercompany loans, savings and deposits, and the repo of

certain notes from Amstelhuys' securitisations conducted in 2007. As at 30 June 2009, the nominal value of the mortgage portfolio of Amstelhuys was EUR 6,472 million.

5. STRATEGY

The Group's goal is to be recognised as the most reliable and highly regarded insurer and financial services provider in its targeted markets, offering customers security through risk assurance, income protection and wealth creation. In the medium term, the Group aims to become one of the three largest insurance companies in the Dutch market and one of the five largest insurance companies in the Belgian market. The Group's strategy to achieve these aims emphasises leveraging its broad distribution platform and strong brand and product offerings to increase market share, pursuing a continuous effort to improve cost efficiency and enhance profitability, and using its strong financial position to take advantage of opportunities for acquisitions as they arise. The Group's strategy has been developed using rigorous 'scenario-based' planning exercises, in which the Group tests its business lines against extreme scenarios at five-year intervals. The Group believes that its strategy will be successful in enhancing shareholder value and enabling the Group to deliver long-term benefits to all of its stakeholders: customers, shareholders, distribution partners, employees, suppliers and the community at large.

The Group's overall strategy is built around "the future secured" strategy which consists of five pillars: reputation, distribution power, efficiency, expertise and core values. The Group and its employees are guided by its core values of integrity, customer focus, responsibility and commitment, team spirit, open communication, flexibility, entrepreneurship when implementing the Group's strategies.

The Group's key strategic goals are as follows:

Reputation

The Group intends to capitalise on its strong brand awareness and reputation, by developing long-term customer relationships and continuing to provide products and services structured to meet the differing needs of its customers over their lifetimes. The Group believes that long-term customer relationships provide continued opportunities to sell additional products and services to its diverse customer base and provide opportunities for growth.

Distribution power

The Group intends to focus on expanding its customer base in the mature markets in the Netherlands and Belgium by further developing its multi-brand, multi-channel distribution network. Consequently, the Group expects to devote increased resources to the development of its direct distribution channel and Bancassurance, in particular its ability to provide insurance products over the internet, which it believes to be a key driver in attracting new customers and reducing costs.

The Group believes that there will be consolidation within the Group's targeted markets and that the Group could also expand its customer base in the near- to medium-term by pursuing mergers and / or acquisitions if strategic opportunities arise.

Although the Group intends to expand its customer base both organically and through acquisitions, it will continue to focus on offering profitable products as part of meeting its financial targets.

Expertise

Because of its wide coverage of the Dutch and Belgian insurance markets through varied distribution channels, the Group believes that it is well-placed to gauge developing consumer preferences and market trends and introduce timely products and services. The Group intends to capitalise on developing trends, as it did when it became one of the first to offer *bancaire lijfrente* and mortgage products adapting to recent changes in tax laws, as well as when it underwrote offshore wind farms.

In addition, the Group plans to expand its focus on premium and innovative products, such as group pensions for large enterprises, as well as specific product groups in its general insurance business line, including engineering and pleasure crafts. The Group also plans to increase the number of simple commodity products offered through the general insurance business line and to continue to promote *bancaire lijfrente* and similar products as alternatives to individual life insurance products that are less in demand.

When pricing its products and services, the Group intends to leverage its demonstrated expertise in actuarial risk management and fund management, employing strategic modelling of real world scenarios in conjunction with

sound risk management policies. This applies in particular to the group pension market, as the Group is one of the few insurers in the Netherlands with the expertise and capital base to profitably take on liabilities transferred by pension funds.

Efficiency

The Group is in the process of implementing a Group-wide sharing programme to create a single back office for each business line for its various brands and distribution channels, with the aim of reducing per product costs, creating economies of scale and enhancing efficiency. The Group expects the sharing programme to reduce costs, while further strengthening the Group's high level of customer service. In addition, the Group intends to expand its use of "straight through" servicing, which reduces administrative costs as client advisers or customers input the initial data for policies directly over the internet.

The Group is also in the process of assessing its organisational structure to further enhance its efficiency.

6. FINANCIAL INFORMATION

General financial information on the Group

The tables below show the Group's breakdown of gross written premiums, net operational result and net result by business line for the six months ended 30 June 2009 and 2008 and the years ended 31 December 2008, 2007 and 2006:

	Six months ended 30 June					
	2009			2008		
	Gross written premiums	Net op. result ⁽¹⁾	Net result	Gross written premiums	Net op. result ⁽¹⁾	Net Result
	(EUR million)					
Life Insurance	1,937	129	236	2,722	108	4
General Insurance	830	40	2	790	36	11
Fund Management	-	6	6	-	8	8
Banking	-	4	-2	-	-5	1
Other ⁽²⁾	-	-20	-15	-	-53	-46
Total	2,767	159	227	3,512	95	-22

	Year ended 31 December								
	2008			2007			2006		
	Gross written premiums	Net op. result ⁽¹⁾	Net result	Gross written premiums	Net op. result ⁽¹⁾	Net result	Gross written premiums	Net op. result ⁽¹⁾	Net result
	(EUR million)								
Life Insurance	4,533	256	25	4,054	285	586	3,146	262	664
General Insurance	1,378	98	4	1,251	176	171	1,167	151	138
Fund Management	-	9	10	-	25	26	-	41	42
Banking	-	-13	-114	-	1	8	-	14	20
Other ⁽²⁾	-	-47	-78	-	-41	-5	-	-115	-105
Total	5,911	303	-153	5,305	446	787	4,312	354	759

(1) Operational result as presented by the Group is a non-GAAP financial measure and is not a measure of financial performance under IFRS. Net operational result is operational result after tax and minority interests.

(2) Other includes Group central costs and support services, as well as Amstelhuys (which is not consolidated with the Group's banking business line), together with any consolidation and elimination items. Also includes gains from the sale of Onderlinge Waarborgmaatschappij Centrale Zorgverzekeraars groep, and Onderlinge Waarborgmaatschappij CZ Groep Aanvullende Verzekering Zorgverzekeraar.

Financial information on the Banking Business Line

Loans

The majority of loans offered by the Group are mortgage loans. At 30 June 2009, the loan portfolio for the Group's banking business line in the Netherlands consisted of EUR 1,706 million in mortgage loans (including EUR 109 million in mortgage loans to private banking customers), the majority of which were residential, and EUR 230 million in consumer loans, the new issuance of which was discontinued after the first half of 2009. In addition, the loan portfolio included EUR 343 million in intercompany loans and overnight government facilities. The banking business line also services mortgage loans originated by Amstelhuys.

The table below shows a breakdown of the components of the business line's loan portfolio loans as at 30 June 2009:

Loan category	As at 30 June 2009	
	Value	Percent of total
	<i>(EUR million, except percentages)</i>	
Mortgage loans ⁽¹⁾	1,706	74.9
Retail consumer loans ⁽²⁾	230	10.1
Other	343	15.1
Total	2,279	100

(1) Includes EUR 109 million in mortgage loans which are serviced by the private banking department of the banking business line

(2) Beginning in the second half of 2009, the Group's banking business line no longer originates new consumer loans.

Mortgage Loans

Because interest payments on mortgage loans in the Netherlands are tax-deductible, interest-only mortgage loans and mortgage loans that combine interest-only loans with savings and investment features are most common.

The table below shows an overview of the Group's mortgage loan portfolio in the Netherlands serviced by the banking business line:

	As at 30 June	As at 31 December		
	2009	2008	2007	2006
Group mortgage loan portfolio in the Netherlands ⁽¹⁾ (EUR billion)	9.7	9.5	9.0	8.8
Securitised (EUR billion)	6.1	6.9	6.8	6.6
No. of loans	52,276	50,689	48,939	49,276
No. of private sales	28	57	50	72
No. of foreclosures	7	22	36	34
No. of losses	21	38	32	46
Loss amount (EUR million)	0.61	1.40	1.12	1.80
Loss amount (bp of portfolio)	0.61	1.47	1.24	2.06

(1) Includes mortgage loans originated by Amstelhuys, but does not include EUR 109 million in mortgage loans to private banking customers, which are serviced by the private banking department in the Netherlands

The table below shows the percentage of arrears of the Group's mortgage loan portfolio in the Netherlands serviced by the banking business line as at 30 June 2009 and 31 December 2008:

Arrears ⁽¹⁾	As at	
	30 June 2009	31 December 2008
	<i>(%)</i>	
0 to 2 months	2.0	1.9
> 2 to 3 months	0.4	0.3
> 3 to 6 months	0.1	0.1
> 6 to 12 months	0.1	0.1
More than 12 months	0.0	0.0
Total arrears > 3 months	0.2	0.2

(1) Includes mortgage loans originated by Amstelhuys, but does not include EUR 109 million in mortgage loans to private banking customers, which are serviced by the private banking department in the Netherlands

The Group believes that the low rate of arrears is due to its strict underwriting policies and arrears management, combined with favourable regulations and prudent attitudes towards mortgage loans in general in the Netherlands. Over the past year, the Group has not significantly changed its underwriting criteria. However, the Group anticipates that in the current economic environment, arrears on the mortgage loan portfolio will likely increase.

In line with the Dutch market, the Group's average loan-to-value ratio for its mortgage loan portfolio in the Netherlands is relatively high as borrowers seek to benefit from certain tax advantages of Dutch mortgage loans.

Current trading

The Group does not intend to publish specific figures with respect to its results of operations and financial position for periods ended 31 March and 30 September, other than information with respect to life new business premiums, as reflected below.

In the period since 30 June 2009, the Group has maintained its focus on product margins while continuing to pursue its cost reduction programme. Premium income and operating expenses have progressed in line with trends established during the first half of the year, and the Group currently expects that it will meet its cost reduction target for 2009.

The period since 30 June 2009 has been characterised by falling interest rates, tighter credit spreads and rising equity markets. These developments had a significant negative impact on the Group's IFRS results for the three months ended 30 September 2009. The Group's operational result for this three-month period, however, remained positive. The most significant effect of the changes in financial markets during the third quarter of the year was the impact of the drop in interest rates on the collateralised AAA bond curve used to value the Group's insurance liabilities, which reversed nearly all positive changes attributable to the application of the curve during the six months ended 30 June 2009. This was offset in part by an increase in the value of the Group's fixed income portfolio, as credit spreads on all fixed income classes decreased significantly. The continued recovery in equity markets had a positive impact on shareholders' equity, as increases in the value of the Group's equity portfolio were reflected in increases in the revaluation reserve, but had a negative impact on results, as significant losses were recorded on the derivatives positions through which the Group hedges its equity portfolio. The Group also realised significant capital gains on the sale of securities in the three months ended 30 September 2009.

In the three months ended 30 September 2009, the Group incurred a net loss on an IFRS basis, and shareholder's equity decreased modestly. The total IFRS net loss for the nine months ended 30 September 2009 was in excess of EUR 100 million. Assuming that interest rates and equity markets remain broadly stable the Group currently expects that it will report a net loss for the full year (without taking account of any capital gains which may be realised in the fourth quarter), and that shareholder's equity at 31 December 2009 will be at or slightly below its level at 30 June 2009 (without taking account of the increase in shareholders' equity associated with the exercise of warrants by Aviva and Funds NutsOhra). The Group expects that the market-consistent embedded value will move broadly in line with the movement in shareholders' equity.

The Group's regulatory capital solvency position calculated under the Insurance Group Directive strengthened to 191% at 30 September 2009 from 185% at 30 June 2009, while the BIS Ratio of the banking business line rose from 11.1% to 12.5% over the same period. The increase in the BIS Ratio was due to a transfer of capital from the Group's insurance business line to the banking business line pursuant to DNB requirements. Notwithstanding this transfer, the regulatory capital solvency position of the Group's insurance businesses improved due to an increase in the value of the Group's investment portfolio as described above. The Group primarily uses the ECB AAA government bond curve to value its insurance liabilities for regulatory capital purposes. As a result, while the value of insurance liabilities increased, the impact was significantly less than that calculated on an IFRS basis.

On 16 October 2009, Standard & Poor's announced that it had downgraded the credit and financial strength ratings of each of Delta Lloyd Levensverzekering and Delta Lloyd Schadeverzekering to A+, with negative outlook as it regards the Group no longer "core", but "strategically important" to the Aviva group. The negative outlook is aligned with the negative outlook on the core operating activities of the Aviva group.

Results of operations - Life Insurance

Total new business premiums as measured by PVNBP (calculated as the present value of new regular premiums plus 100% of new single premiums for the period, using assumptions consistent with those used to determine the value of new business under market-consistent embedded value, hereinafter 'PVNBP') were EUR 1,082.7 million and EUR 3,132.2 million for the three months and nine months ended 30 September 2009, respectively.

This result is in line with trends established during the first half of 2009, although it is lower than the results achieved in the corresponding periods of the prior year. This was primarily due to the Group's acquisition during the first six months of 2008 of a significant number of new single-premium group pension contracts. The Group has written fewer such contracts in 2009, as a result of a focus on new business margin in its group pensions

business and regulatory constraints on the ability of pension funds in the Netherlands to transfer their pension obligations. The Group nonetheless did write one large new single-premium group pension policy which met its minimum targeted new business margin of 1% in the third quarter of 2009. Overall, new business premium for single premium pensions and annuities for the nine months ended 30 September 2009 was significantly below the level achieved in the corresponding period of 2008.

The Group's PVNBP calculations did not incorporate results for Swiss Life Belgium until the end of 2008, although such results were consolidated in the Group's IFRS accounts from 1 July 2008. Swiss Life Belgium's main products are annual premium pensions. Accordingly, significantly more annual premium pensions and annuities are reflected in PNVBP for the three and nine months ended 30 September 2009 than in the same periods in the previous year.

New business premium in the Group's life and savings businesses fell as a result of the unpopularity of unit-linked policies and the shift from savings products to "*bancaire lijfrente*".

The table below shows additional information with respect to PVNBP for the three months and nine months ended 30 September 2009 and 2008:

	For the three months ended 30 September		For the nine months ended 30 September	
	2009	2008	2009	2008
	<i>(EUR millions)</i>			
Single premium				
Life and savings	112.8	248.1	321.4	446.1
Pensions and annuities	449.0	495.5	1,208.5	2,106.0
Total single premium	561.9	743.6	1,503.0	2,552.1
Annual premium				
Life and savings	93.4	328.7	301.3	600.4
Pensions and annuities	427.4	155.1	1,300.9	956.1
Total annual premium	520.8	483.8	1,602.2	1,556.5
Total new business premium	1,082.7	1,227.4	3,132.2	4,108.6

Results of operations - General Insurance, Fund Management and Banking

Premium income in the Group's general insurance business line for the third quarter of 2009 was ahead of the corresponding period in 2008. The combined ratio for the nine months ended 30 September 2009 nonetheless increased slightly as compared with the six months ended 30 June 2009, reflecting higher levels of claims during the quarter.

Results for the Group's fund management business line in the three months ended 30 September 2009 were consistent with those for the first half of the year.

The Group's banking business line posted improved results in the three months ended 30 September as compared with the first six months of 2009, reflecting increasing interest margins, as the Group reduced the rates offered on deposits. New mortgage origination also increased significantly as compared with the first half of the year.

Results of operations -Cost Reduction Programme

The Group has continued its focus on cost reduction measures, pursuing further reductions in temporary staff and deferring or cancelling non-priority projects. The Group currently believes that it will meet its cost reduction target for 2009, reducing operational expenses as measured by "management's cost base" by EUR 125 million for the year.

Investment Portfolio and Insurance Liabilities

The Group's results under IFRS are subject to significant volatility in response to changes in financial markets.

Market interest rates have fallen in the period since 30 June 2009, and credit spreads in all fixed income categories have tightened considerably. The most important impact of the change in interest rates has been its

effect on the reference rate given by the collateralised AAA bond curve used to value the Group's insurance liabilities under IFRS, which fell to 4.26% from 5.11% at the ten year point. This was the most significant individual factor affecting the Group's results in the three months ended 30 September 2009, as it brought about a significant increase in the Group's insurance liabilities which reversed nearly all of the reductions attributable to the application of the curve in the first half of 2009.

Interest rate developments have had a positive effect on the market value of the Group's fixed income portfolio. As most of the fixed income assets in the Group's own risk portfolio are classified as "other than trading", decreasing credit spreads positively affected the Group's results in the three months ended 30 September 2009. Despite a small movement in the DNB swap curve in this period, there was no significant valuation movement in the swaption portfolio through which the Group hedges interest rate risk in its life portfolio. Equity markets have risen strongly since 30 June 2009. In the three months ended 30 September 2009, the AEX increased by 22.2% and the Dow Jones EURO STOXX 50 rose by 19.7%. The market value of the Group's equity portfolio has risen as well, although to a lesser extent than the indexes referred to above. As most of the equity securities in the Group's own risk portfolio are classified as "available-for-sale", the increase in the value of the equity portfolio attributable to these developments have been reflected as an increase in the Group's revaluation reserve within shareholders' equity and have had no effect on the Group's results of operations, except insofar as the Group has realised gains or losses on sales of equity securities. At the same time, the Group has recorded a loss in respect of results from derivatives, reflecting the impact of the rise in equity markets on positions taken pursuant to the Group's hedging policy to protect against the downside risk of falling equity markets. The Group has no current intention of changing this hedging policy. The Group tests for impairment of asset values only at 30 June and 31 December of each year. There is currently no indication that any material impairments will need to be recorded in the Group's year-end accounts that were not reflected in the half-year results.

No Significant Change

Other than as described above under the headers "*Listing Delta Lloyd*" and "*Current trading*", there has been no significant change in the financial or trading position of the Group between 30 June 2009 and the date of this Prospectus.

For a complete description of Delta Lloyd, the Group and its financials reference is made to the prospectus dated 19 October 2009, available via www.deltalloydgroep.com.

DESCRIPTION OF MORTGAGE LOANS

The Portfolio

The Mortgage Receivables will be selected in accordance with the Mortgage Loan Criteria. For a description of the representations and warranties given by the Seller and for the Mortgage Loan Criteria reference is made to *Mortgage Receivables Purchase Agreement* below.

The information set out below in relation to the portfolio of Mortgage Receivables may not necessarily correspond to that of the Mortgage Loans from which the Mortgage Receivables result that are actually sold on the Closing Date. After the Closing Date, the Mortgage Receivables will change from time to time as a result of amongst others repayment, prepayment, and repurchase of Mortgage Receivables.

General information on the Mortgage Receivables can be obtained at www.arenarmbs.nl.

Mortgaged Assets

The mortgage rights securing the Mortgage Loans are vested on

- (i) real estate ("*onroerende zaak*");
- (ii) an apartment right ("*appartementsrecht*") and / or
- (iii) a long lease ("*erfpacht*").

For over a century various landowners such as municipalities and other public bodies in the Netherlands have used long lease as a system to issue land without giving away the ownership of it. A long lease is a right in rem ("*zakelijk recht*") which entitles the leaseholder ("*erfpachter*") to hold and use the land of the landowner. The long lease can be transferred by the leaseholder without permission from the landowner, unless the lease conditions provide otherwise. Heirs of the leaseholder will inherit the long lease. There are three types of long lease: temporary ("*tijdelijk*"), ongoing ("*voortdurend*") and perpetual ("*eeuwigdurend*"). Usually a remuneration ("*canon*") will be due for the long lease.

Mortgage Loan types

A Mortgage Loan may consist of various loan-parts ("*leningdelen*"). For instance, it is common to combine interest-only loan-parts with other loan-parts. The portfolio in whole or in loan-parts may consist of the following types of Mortgage Loans:

- (i) linear mortgage loans ("*lineaire hypotheek*");
- (ii) annuity mortgage loans ("*annuïteitenhypotheek*");
- (iii) interest-only mortgage loans ("*aflossingsvrije hypotheek*");
- (iv) investment mortgage loans ("*beleggingshypotheek*");
- (v) savings mortgage loans ("*spaarhypotheek*");
- (vi) bank savings mortgage loans ("*bankspaarhypotheek*");
- (vii) unit-linked mortgage loans ("*unit-linked hypotheek*");
- (viii) universal life mortgage loans ("*universeel levenhypotheek*");
- (ix) life mortgage loans with the option to choose between the Savings Element and the Unit-linked Alternative ("*levenhypotheek*"); and / or
- (x) traditional life mortgage loans and life mortgage loans with an external life insurance policy ("*levenhypotheek op basis van traditioneel gemengde verzekering*").

The Mortgage Loans have a maturity up to a maximum of 30 years.

With respect to Mortgage Loans of the types (iii) up to and including (x) the Borrower is only required to pay interest prior to maturity and is not required to pay principal before maturity. A bullet payment for the (remainder of the) principal is due upon maturity of these types of Mortgage Loan.

Savings accounts, (proceeds of) investments and Life Insurance Policies are always pledged to the Seller.

The final payout ("*einduitkering*") under a Life Insurance Policy, as forms part of the types (vii) up to and including (x) will be determined on the basis of the return on the investments / savings made under such Life Insurance Policy and will thus not necessarily equal the bullet payment due upon maturity of the Mortgage Loan. The same applies with respect to the investments made in relation to investment mortgage loans.

Linear Mortgage Loans

The Borrower pays a fixed amount of principal each month towards redemption. Interest is payable monthly and is calculated on the outstanding balance of the Mortgage Loan (or relevant part thereof).

Annuity Mortgage Loans

This type of loan offers the Borrower fixed and relatively low monthly payments. These monthly payments consist of an initially high and decreasing interest portion and an initially low and increasing portion of principal. Annuity mortgages are offered with interest rates established by reference to the standard Delta Lloyd mortgage interest-rate.

Interest-only Mortgage Loans

Borrowers are only required to pay interest prior to maturity.

Investment Mortgage Loans ("EffectPlusHypotheek / WoonPlusHypotheek")

Under a EffectPlusHypotheek the Borrower undertakes to invest, via an Investment Account, on an instalment basis or up front, defined amounts:

- (a) in selected Delta Lloyd, OHRA, Triodos, ABN AMRO, Robeco, Fortis and / or ING investment funds;
- (b) by keeping such amounts in the Investment Account; or
- (c) a combination of the above.

Borrowers are entitled to switch their investments among the investment funds and to and from the Investment Account. It is envisaged that (part of) the bullet payment upon maturity of the Mortgage Loan is made from the proceeds on the investments.

Under a WoonPlusHypotheek, a Borrower is required to invest (part of) its own funds in the same manner described above. The maximum principal of such Mortgage Loan is higher than the maximum principal that would be allowed without such investment. It is envisaged that the proceeds of these investments are used by the Borrower to pay the interest due on that part of the principal exceeding the principal allowed based on his earnings.

Savings Mortgage Loans ("Hypotheek Totaal Plan")

This type of loan offers the Borrower fixed monthly payments. These consist of interest on the principal and a savings/risk premium ("*spaar/risico-premie*") for the Savings Insurance Policy taken out with the Savings Insurance Company. If mortgage interest rates have increased at the end of the chosen fixed-rate period, the interest charge on the principal will increase but the savings/risk premium will decrease and vice versa. The reinvestment rate on accumulated mortgage principal is guaranteed at the mortgage rate, as a result of which the payout at the end of such Savings Insurance Policy (or earlier if the Borrower deceases) equals the principal of the Mortgage Loan.

Bank Savings Mortgage Loan ("ZekerPlusHypotheek")

The Borrower pays a monthly deposit in a tax-efficient Bank Savings Account (the '**Monthly Bank Savings Deposit Instalment**') held with the Bank Savings Participant. The Monthly Bank Savings Deposit Instalment is calculated in such a manner that, on an annuity basis, the balance standing to the credit of the Bank Savings Account is equal to the amount due upon maturity of the Bank Savings Mortgage Loan. The balance standing to the credit of the Bank Savings Account is pledged to the Seller.

Unit-linked Mortgage Loan ("Meerkeuzeplan")

The Borrower takes out a unit-linked Life Insurance Policy with the Savings Insurance Company. The Life Insurance Policy provides for an amount at maturity of the Life Insurance Policy (or earlier if the Borrower deceases). Investments under the Life Insurance Policy are made in Delta Lloyd ProfielMix investment funds, chosen by the Borrower.

Universal Life Mortgage Loan ("Delta Lloyd Life Hypotheek" / "Financieel Vrijheidsplan")

The Borrower takes out a very flexible Life Insurance Policy, which is effectively an improved unit-linked Life Insurance Policy, with the Savings Insurance Company, whereby monthly premiums on the Life Insurance Policy are invested in Delta Lloyd investment funds, being Delta Lloyd ProfielMix investment funds for a Delta Life Hypotheek and one of 5 profielmixfunds for a Financieel Vrijheidsplan.

Life Mortgage Loan with the option to choose between the Savings Element and the Unit-linked Alternative ("CombiPlusHypotheek")

The Life Insurance Policy attached to this type of loan allows the Borrower to choose the proportion between the Savings Element and the Unit-linked Alternative and to amend this proportion prior to maturity of the Mortgage Loan.

Traditional Life Mortgage Loan and Life Mortgage Loan with an external Life Insurance Policy ("levenhypotheek op basis van. traditioneel gemengde verzekering")

The Borrower takes out a Life Insurance Policy with an Insurance Company other than the Savings Insurance Company. The reinvestment rate on the accumulated premium on the Life Insurance Policy is not guaranteed.

SUMMARY OF THE FINAL POOL

The numerical information set out below relates to the final pool of Mortgage Loans (the 'Final Pool') which was selected as of 31 October 2009. All amounts are in euro.

Under the Mortgage Receivables Purchase Agreement the Issuer shall purchase and on the Closing Date accept the assignment of the Mortgage Receivables resulting from the Mortgage Loans selected from the Final Pool (see the section *Mortgage Receivables Purchase Agreement* below).

The information set out below relates to the Final Pool. After the Closing Date the portfolio will change from time to time as a result of repayment, prepayment, amendment and repurchase of Mortgage Receivables.

All Mortgage Receivables selected and purchased by the Issuer shall comply with the Mortgage Loan Criteria on the Cut-Off Date (see the section *Mortgage Receivables Purchase Agreement* below).

Key characteristics	
outstanding principal balance (EUR)	905,977,916.94
outstanding savings balance (EUR)	6,048,763.11
net outstanding principal balance (net loan) (EUR)	899,929,153.83
average balance by borrower (EUR)	263,825.83
average net loan by borrower (EUR)	262,064.40
maximum loan value (EUR)	995,000.00
number of loan parts	8.181
number of borrowers	3.434
weighted average current Loan-to-Foreclosure-Value	107.50%
weighted average current Loan-to-Market-Value*	91.34%
weighted average seasoning (months)	28.95
weighted average maturity (months)	320.96
weighted average coupon (%)	4.83%
cumulative building deposit (EUR)	8,144,893.50

*) foreclosure value is 85% of the market value

TABLE A - Weighted average coupon of the mortgage loans

	Number of loan parts	Proportion of pool (%)	Aggregate Outstanding Principal Amount (EUR)	Proportion of pool (%)	w.a. Coupon	w.a. LTFV
Range of weighted average coupon						
0% < r ≤ 3%	18	0.22%	1,485,005.00	0.17%	2.88%	89.77%
3% < r ≤ 3.25%	19	0.23%	1,810,644.00	0.20%	3.19%	107.14%
3.25% < r ≤ 3.5%	409	5.00%	54,830,196.24	6.09%	3.45%	99.14%
3.5% < r ≤ 3.75%	320	3.91%	29,806,805.01	3.31%	3.65%	109.69%
3.75% < r ≤ 4%	486	5.94%	47,932,445.66	5.33%	3.92%	105.77%
4% < r ≤ 4.25%	521	6.37%	56,525,884.23	6.28%	4.16%	105.73%
4.25% < r ≤ 4.5%	942	11.51%	111,624,942.85	12.40%	4.41%	104.62%
4.5% < r ≤ 4.75%	766	9.36%	85,083,129.63	9.45%	4.65%	107.94%
4.75% < r ≤ 5%	1,117	13.65%	135,871,053.23	15.10%	4.90%	107.86%
5% < r ≤ 5.25%	999	12.21%	113,080,225.27	12.57%	5.16%	107.67%
5.25% < r	2,584	31.59%	261,878,822.71	29.10%	5.65%	110.64%
Grand Total	8,181	100.00%	899,929,153.83	100.00%	4.83%	107.50%

TABLE B - Outstanding construction deposits (on a borrower level)

Range of construction deposit amounts	Number of loans	Proportion of pool (%)	Aggregate Outstanding Principal Amount (EUR)	Proportion of pool (%)	w.a. Coupon	w.a. LTFV
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deposit <= 2,500	3	0.09%	898,026.43	0.10%	4.80%	113.49%
2,500 < deposit <= 5,000	4	0.12%	1,475,231.72	0.16%	4.98%	121.84%
5,000 < deposit <= 7,500	4	0.12%	1,097,133.72	0.12%	4.95%	118.51%
7,500 < deposit <= 10,000	18	0.52%	4,549,969.00	0.51%	5.04%	118.24%
10,000 < deposit <= 20,000	27	0.79%	8,852,258.05	0.98%	5.23%	113.30%
20,000 < deposit <= 30,000	20	0.58%	5,284,117.15	0.59%	5.13%	115.49%
30,000 < deposit <= 50,000	18	0.52%	5,627,581.82	0.63%	4.90%	112.05%
50,000 < deposit <= 75,000	10	0.29%	4,049,988.62	0.45%	4.89%	114.18%
75,000 < deposit <= 100,000	5	0.15%	1,562,642.91	0.17%	4.86%	94.82%
100,000 < deposit <= 150,000	10	0.29%	3,109,569.23	0.35%	5.46%	106.04%
150,000 < deposit <= 200,000	9	0.26%	2,773,840.41	0.31%	4.72%	96.48%
200,000 < deposit	9	0.26%	4,211,477.67	0.47%	4.83%	99.72%
No construction deposit	3,297	96.01%	856,437,317.10	95.17%	4.82%	107.33%
Grand Total	3,434	100.00%	899,929,153.83	100.00%	4.83%	107.50%

TABLE C - Debt-service-to-Income (DTI) data of borrowers

	Number of loans	Proportion of pool (%)	Aggregate Outstanding Principal Amount (EUR)	Proportion of pool (%)	w.a. Coupon	w.a. LTFV
Range of DTI						
dti <= 10%	44	1.28%	3,613,009.63	0.40%	4.39%	58.74%
10% < dti <= 20%	312	9.09%	53,018,891.38	5.89%	4.55%	83.74%
20% < dti <= 30%	1,228	35.76%	294,136,545.46	32.68%	4.75%	106.67%
30% < dti <= 40%	1,260	36.69%	362,064,300.87	40.23%	5.06%	110.81%
40% < dti	590	17.18%	187,096,406.49	20.79%	4.61%	110.10%
Grand Total	3,434	100.00%	899,929,153.83	100.00%	4.83%	107.50%

TABLE D - Employment of borrowers of the mortgage loans

	Number of loans	Proportion of pool (%)	Aggregate Outstanding Principal Amount (EUR)	Proportion of pool (%)	w.a. Coupon	w.a. LTFV
Employment Type						
Self employed	247	7.19%	83,234,573.14	9.25%	4.77%	102.30%
Employed	3,018	87.89%	787,193,149.39	87.47%	4.84%	108.89%
Other	169	4.92%	29,501,431.30	3.28%	4.69%	85.21%
Grand Total	3,434	100.00%	899,929,153.83	100.00%	4.83%	107.50%

TABLE E - Income data of borrowers

	Number of loans	Proportion of pool (%)	Aggregate Outstanding Principal Amount (EUR)	Proportion of pool (%)	w.a. Coupon	w.a. LTFV
Range of Income (in EUR)						
income <= 10,000	10	0.29%	2,595,943.74	0.29%	4.52%	94.06%
10,000 < income <= 20,000	38	1.11%	5,731,699.84	0.64%	4.56%	106.27%
20,000 < income <= 30,000	228	6.64%	35,482,206.17	3.94%	4.64%	103.42%
30,000 < income <= 40,000	594	17.30%	104,788,632.77	11.64%	4.85%	105.18%
40,000 < income <= 50,000	697	20.30%	155,275,556.43	17.25%	4.85%	106.55%
50,000 < income <= 60,000	624	18.17%	158,185,915.61	17.58%	4.81%	107.60%
60,000 < income <= 70,000	475	13.83%	139,499,570.13	15.50%	4.83%	110.00%
70,000 < income <= 80,000	311	9.06%	100,123,216.87	11.13%	4.91%	108.62%
80,000 < income <= 90,000	181	5.27%	66,445,179.36	7.38%	4.91%	110.03%
90,000 < income <= 100,000	91	2.65%	37,045,331.70	4.12%	4.83%	106.90%
100,000 < income <= 250,000	184	5.36%	93,880,901.21	10.43%	4.80%	106.93%
250,000 < income	1	0.03%	875,000.00	0.10%	3.50%	120.69%
Grand Total	3,434	100.00%	899,929,153.83	100.00%	4.83%	107.50%

TABLE F - Interest rates applicable to the mortgage loan parts

	Number of loan parts	Proportion of pool (%)	Aggregate Outstanding Principal Amount (EUR)	Proportion of pool (%)	w.a. Coupon	w.a. LTFV
Range of interest rates						
0% < r ≤ 3%	18	0.22%	1,485,005.00	0.17%	2.88%	89.77%
3% < r ≤ 3.25%	19	0.23%	1,810,644.00	0.20%	3.19%	107.14%
3.25% < r ≤ 3.5%	409	5.00%	54,830,196.24	6.09%	3.45%	99.14%
3.5% < r ≤ 3.75%	320	3.91%	29,806,805.01	3.31%	3.65%	109.69%
3.75% < r ≤ 4%	486	5.94%	47,932,445.66	5.33%	3.92%	105.77%
4% < r ≤ 4.25%	521	6.37%	56,525,884.23	6.28%	4.16%	105.73%
4.25% < r ≤ 4.5%	942	11.51%	111,624,942.85	12.40%	4.41%	104.62%
4.5% < r ≤ 4.75%	766	9.36%	85,083,129.63	9.45%	4.65%	107.94%
4.75% < r ≤ 5%	1,117	13.65%	135,871,053.23	15.10%	4.90%	107.86%
5% < r ≤ 5.25%	999	12.21%	113,080,225.27	12.57%	5.16%	107.67%
5.25% < r	2,584	31.59%	261,878,822.71	29.10%	5.65%	110.64%
Grand Total	8,181	100.00%	899,929,153.83	100.00%	4.83%	107.50%

TABLE G - Interest rate period of mortgage loan parts

	Number of loan parts	Proportion of pool (%)	Aggregate Outstanding Principal Amount (EUR)	Proportion of pool (%)	w.a. Coupon	w.a. LTFV
Interest rate period						
1 month	371	4.53%	50,475,574.28	5.61%	3.45%	98.54%
3 months	40	0.49%	1,524,178.47	0.17%	3.84%	104.02%
1 year	34	0.42%	2,567,511.33	0.29%	5.22%	109.79%
2 years	152	1.86%	8,692,018.78	0.97%	4.78%	104.09%
5 years	560	6.85%	55,525,823.44	6.17%	5.10%	107.04%
6 years	734	8.97%	73,909,067.90	8.21%	4.10%	110.41%
7 years	432	5.28%	51,024,791.04	5.67%	4.63%	110.38%
10 years	4,338	53.03%	486,417,850.98	54.05%	5.07%	108.23%
15 years	357	4.36%	43,893,032.05	4.88%	4.84%	107.12%
20 years	462	5.65%	55,115,928.70	6.12%	5.05%	104.94%
30 years	701	8.57%	70,783,376.86	7.87%	4.70%	106.77%
Grand Total	8,181	100.00%	899,929,153.83	100.00%	4.83%	107.50%

TABLE H - Interest rate reset dates applicable to the mortgage loan parts

	Number of loan parts	Proportion of pool (%)	Aggregate Outstanding Principal Amount (EUR)	Proportion of pool (%)	w.a. Coupon	w.a. LTFV
Range of years						
2009	404	4.94%	52,109,169.24	5.79%	3.48%	98.75%
2010	346	4.23%	33,633,484.87	3.74%	4.31%	109.59%
2011	586	7.16%	57,550,856.12	6.40%	4.08%	111.26%
2012	199	2.43%	22,469,745.54	2.50%	4.26%	110.49%
2013	410	5.01%	47,702,382.02	5.30%	4.88%	105.67%
2014	504	6.16%	52,158,756.95	5.80%	5.03%	109.23%
2015	312	3.81%	32,251,906.23	3.58%	4.44%	105.76%
2015 < interest reset date ≤ 2020	4,042	49.41%	451,574,904.89	50.18%	5.14%	108.30%
2020 < interest reset date ≤ 2025	420	5.13%	49,617,026.17	5.51%	4.91%	106.05%
2025 < interest reset date ≤ 2030	257	3.14%	30,077,544.94	3.34%	5.23%	104.91%
2030 < interest reset date ≤ 2035	193	2.36%	18,901,329.65	2.10%	4.28%	106.61%
2035 < interest reset date ≤ 2040	508	6.21%	51,882,047.21	5.77%	4.86%	106.82%
Grand Total	8,181	100.00%	899,929,153.83	100.00%	4.83%	107.50%

TABLE I - Size of outstanding mortgage loans

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	Number of loans	Proportion of pool (%)	Aggregate Outstanding Principal Amount (EUR)	Proportion of pool (%)	w.a. Coupon	w.a. LTFV
Range of loans sizes (EUR)						
loan size <= 50,000	28	0.82%	956,708.61	0.11%	4.87%	17.59%
50,000 < loan size <= 100,000	93	2.71%	7,647,649.94	0.85%	4.83%	47.46%
100,000 < loan size <= 150,000	336	9.78%	44,319,554.33	4.92%	4.82%	90.70%
150,000 < loan size <= 200,000	706	20.56%	124,095,863.13	13.79%	4.85%	103.59%
200,000 < loan size <= 250,000	716	20.85%	161,808,163.15	17.98%	4.84%	108.37%
250,000 < loan size <= 300,000	602	17.53%	165,600,233.26	18.40%	4.91%	111.02%
300,000 < loan size <= 400,000	571	16.63%	195,538,170.35	21.73%	4.85%	110.34%
400,000 < loan size <= 500,000	221	6.44%	98,506,093.96	10.95%	4.76%	109.26%
500,000 < loan size <= 750,000	140	4.08%	83,097,254.44	9.23%	4.75%	111.59%
750,000 < loan size <= 1,000,000	21	0.61%	18,359,462.66	2.04%	4.54%	106.68%
Grand Total	3,434	100.00%	899,929,153.83	100.00%	4.83%	107.50%

TABLE J - Original loan term of the mortgage loan parts

	Number of loan parts	Proportion of pool (%)	Aggregate Outstanding Principal Amount (EUR)	Proportion of pool (%)	w.a. Coupon	w.a. LTFV
Original loan term						
years <= 5	9	0.11%	376,717.83	0.04%	4.26%	88.31%
5 < years <= 10	23	0.28%	1,148,650.86	0.13%	5.01%	105.21%
10 < years <= 15	51	0.62%	2,965,994.96	0.33%	5.01%	95.80%
15 < years <= 20	203	2.48%	15,654,814.83	1.74%	4.93%	100.85%
20 < years <= 25	474	5.79%	47,901,500.37	5.32%	4.91%	103.00%
25 < years <= 30	7,345	89.78%	824,375,424.66	91.60%	4.83%	107.88%
30 < years	76	0.93%	7,506,050.32	0.83%	4.47%	114.64%
Grand Total	8,181	100.00%	899,929,153.83	100.00%	4.83%	107.50%

TABLE K - Loan-to-Income (LTI) of borrowers

	Number of loans	Proportion of pool (%)	Aggregate Outstanding Principal Amount (EUR)	Proportion of pool (%)	w.a. Coupon	w.a. LTFV
Loan-to-income						
Lti <= 2	81	2.36%	7,858,233.62	0.87%	4.73%	61.61%
2 < Lti <= 3	230	6.70%	40,159,713.35	4.46%	4.77%	85.00%
3 < Lti <= 4	671	19.54%	148,522,921.68	16.50%	4.86%	104.59%
4 < Lti <= 5	1,230	35.82%	310,955,019.44	34.55%	4.94%	109.15%
5 < Lti <= 6	766	22.31%	231,633,964.61	25.74%	4.86%	110.24%
6 < Lti <= 7	162	4.72%	56,350,332.09	6.26%	4.56%	108.25%
7 < Lti	289	8.42%	103,303,257.33	11.48%	4.59%	112.69%
no income data	5	0.15%	1,145,711.71	0.13%	4.73%	83.52%
Grand Total	3,434	100.00%	899,929,153.83	100.00%	4.83%	107.50%

TABLE L - Current Loan-to-Foreclosure-Value

	Number of loans	Proportion of pool (%)	Aggregate Outstanding Principal Amount (EUR)	Proportion of pool (%)	w.a. Coupon	w.a. LTFV
Range of Loan-to-Foreclosure-Value						
ltfv <= 25%	40	1.16%	2,024,736.45	0.22%	4.77%	17.93%
25% < ltfv <= 50%	93	2.71%	10,809,701.72	1.20%	4.63%	40.46%
50% < ltfv <= 60%	70	2.04%	13,050,413.96	1.45%	4.59%	55.97%
60% < ltfv <= 70%	103	3.00%	20,321,872.73	2.26%	4.69%	65.23%
70% < ltfv <= 80%	167	4.86%	37,822,710.14	4.20%	4.52%	75.67%
80% < ltfv <= 90%	281	8.18%	68,272,232.56	7.59%	4.71%	86.15%
90% < ltfv <= 100%	315	9.17%	80,083,682.06	8.90%	4.79%	96.67%

100% < ltfv <= 105%	114	3.32%	32,633,733.22	3.63%	4.78%	102.74%
105% < ltfv <= 110%	338	9.84%	94,428,833.02	10.49%	4.77%	107.74%
110% < ltfv <= 115%	464	13.51%	129,716,336.00	14.41%	4.78%	112.63%
115% < ltfv <= 120%	582	16.95%	168,350,596.51	18.71%	4.87%	117.51%
120% < ltfv <= 125%	867	25.25%	242,414,305.46	26.94%	5.00%	122.98%
Grand Total	3,434	100.00%	899,929,153.83	100.00%	4.83%	107.50%

TABLE M - Maturity of the mortgage loan parts

	Number of loan parts	Proportion of pool (%)	Aggregate Outstanding Principal Amount (EUR)	Proportion of pool (%)	w.a. Coupon	w.a. LTFV
Range of years						
maturity <= 2015	19	0.23%	923,797.53	0.10%	4.59%	95.48%
2015 < maturity <= 2020	40	0.49%	2,218,658.24	0.25%	4.96%	102.96%
2020 < maturity <= 2025	111	1.36%	8,469,282.41	0.94%	4.72%	99.53%
2025 < maturity <= 2030	282	3.45%	24,899,841.50	2.77%	4.84%	102.48%
2030 < maturity <= 2035	2,319	28.35%	256,937,461.46	28.55%	4.51%	107.88%
2035 < maturity <= 2040	5,410	66.13%	606,480,112.69	67.39%	4.97%	107.69%
Grand Total	8,181	100.00%	899,929,153.83	100.00%	4.83%	107.50%

TABLE N - Type of mortgage loans

	Number of loan parts	Proportion of pool (%)	Aggregate Outstanding Principal Amount (EUR)	Proportion of pool (%)	w.a. Coupon	w.a. LTFV
Type of mortgage						
Annuity	34	0.42%	1,194,261.37	0.13%	5.03%	104.54%
Interest only	5,091	62.23%	596,726,034.26	66.31%	4.83%	105.45%
Linear	9	0.11%	357,294.62	0.04%	4.54%	114.31%
Savings/Life	818	10.00%	80,136,264.67	8.90%	4.88%	110.61%
Traditional life	621	7.59%	66,505,388.15	7.39%	4.31%	112.17%
Unit Linked	15	0.18%	1,200,809.00	0.13%	4.66%	108.83%
Universal Life	259	3.17%	34,562,702.03	3.84%	4.70%	112.59%
Investment	659	8.06%	59,418,691.96	6.60%	4.75%	111.15%
Savings	675	8.25%	59,827,707.77	6.65%	5.54%	112.07%
Grand Total	8,181	100.00%	899,929,153.83	100.00%	4.83%	107.50%

TABLE O - Origination date of the mortgage loan parts

	Number of loan parts	Proportion of pool (%)	Aggregate Outstanding Principal Amount (EUR)	Proportion of pool (%)	w.a. Coupon	w.a. LTFV
Year of Origination						
2003 Q1	28	0.34%	4,072,932.62	0.45%	4.99%	112.59%
2003 Q2	126	1.54%	15,429,309.79	1.71%	4.82%	108.68%
2003 Q3	127	1.55%	16,936,212.77	1.88%	4.82%	108.29%
2003 Q4	139	1.70%	17,490,320.20	1.94%	4.79%	108.05%
2004 Q1	145	1.77%	21,267,120.16	2.36%	4.72%	112.38%
2004 Q2	97	1.19%	13,461,925.89	1.50%	4.68%	112.12%
2004 Q3	124	1.52%	11,798,660.55	1.31%	4.67%	108.66%
2004 Q4	142	1.74%	14,672,586.54	1.63%	4.45%	109.10%
2005 Q1	127	1.55%	12,668,103.40	1.41%	4.17%	108.54%
2005 Q2	216	2.64%	20,624,565.64	2.29%	4.01%	108.43%
2005 Q3	272	3.32%	26,926,803.93	2.99%	3.95%	110.28%
2005 Q4	223	2.73%	24,073,485.07	2.68%	3.99%	104.47%
2006 Q1	323	3.95%	34,465,468.57	3.83%	4.07%	104.02%
2006 Q2	173	2.11%	20,255,821.28	2.25%	4.25%	108.58%
2006 Q3	184	2.25%	21,622,829.65	2.40%	4.49%	106.74%
2006 Q4	236	2.88%	27,512,253.02	3.06%	4.43%	107.64%

2007 Q1	249	3.04%	30,446,833.31	3.38%	4.47%	102.97%
2007 Q2	221	2.70%	26,194,397.46	2.91%	4.61%	104.78%
2007 Q3	371	4.53%	42,791,237.25	4.75%	4.87%	109.12%
2007 Q4	296	3.62%	36,983,035.03	4.11%	4.99%	111.53%
2008 Q1	753	9.20%	77,476,162.58	8.61%	5.04%	110.18%
2008 Q2	610	7.46%	68,335,825.88	7.59%	4.95%	102.60%
2008 Q3	463	5.66%	48,663,901.51	5.41%	5.19%	105.04%
2008 Q4	466	5.70%	47,731,339.80	5.30%	5.46%	108.49%
2009 Q1	830	10.15%	90,588,567.52	10.07%	5.48%	108.14%
2009 Q2	551	6.74%	55,842,704.41	6.21%	5.21%	107.63%
2009 Q3	668	8.17%	70,652,728.43	7.85%	4.78%	106.57%
2009 Q4	21	0.26%	944,021.57	0.10%	4.66%	111.95%
Grand Total	8,181	100.00%	899,929,153.83	100.00%	4.83%	107.50%

TABLE P - Property types

Property Types	Number of loans	Proportion of pool (%)	Aggregate Outstanding Principal Amount (EUR)	Proportion of pool (%)	w.a. Coupon	w.a. LTFV
Condominium	612	17.82%	132,340,236.00	14.71%	4.96%	111.00%
Farm House	22	0.64%	6,694,405.68	0.74%	4.54%	80.05%
Shop / house	21	0.61%	5,898,903.76	0.66%	4.78%	91.15%
Single family house	2,779	80.93%	754,995,608.39	83.90%	4.81%	107.26%
Grand Total	3,434	100.00%	899,929,153.83	100.00%	4.83%	107.50%

TABLE Q - Geographical distribution of the mortgage loans

Region	Number of loans	Proportion of pool (%)	Aggregate Outstanding Principal Amount (EUR)	Proportion of pool (%)	w.a. Coupon	w.a. LTFV
Drenthe	108	3.15%	24,135,567.38	2.68%	4.75%	104.56%
Flevoland	85	2.48%	18,549,811.32	2.06%	5.03%	111.99%
Friesland	150	4.37%	32,388,762.34	3.60%	4.68%	107.53%
Gelderland	313	9.11%	82,194,447.42	9.13%	4.87%	106.38%
Groningen	117	3.41%	26,042,004.52	2.89%	4.84%	105.39%
Limburg	127	3.70%	28,038,272.23	3.12%	4.96%	108.61%
Noord-Brabant	507	14.76%	136,586,961.12	15.18%	4.76%	104.94%
Noord-Holland	713	20.76%	194,364,403.13	21.60%	4.86%	109.00%
Overijssel	213	6.20%	51,626,043.79	5.74%	4.66%	107.01%
Utrecht	277	8.07%	84,325,039.09	9.37%	4.86%	106.98%
Zeeland	84	2.45%	17,990,381.25	2.00%	4.80%	106.21%
Zuid-Holland	622	18.11%	165,360,908.92	18.37%	4.85%	109.40%
Unknown	118	3.44%	38,326,551.32	4.26%	4.93%	105.93%
Grand Total	3,434	100.00%	899,929,153.83	100.00%	4.83%	107.50%

TABLE R - Savings values (on a borrower basis)

Range of saving amounts	Number of loans	Proportion of pool (%)	Aggregate Outstanding Principal Amount (EUR)	Proportion of pool (%)	w.a. Coupon	w.a. LTFV
No savings	2,151	62.64%	570,501,085.61	63.39%	4.64%	104.79%
savings <= 1,000	474	13.80%	114,190,144.70	12.69%	5.42%	116.18%
1,000 < savings <= 2,500	278	8.10%	70,310,472.27	7.81%	5.33%	114.75%
2,500 < savings <= 5,000	164	4.78%	43,545,824.88	4.84%	4.99%	112.46%

* The geographic distribution is not available because the mortgage loans relate to new built properties for which the postal code is not available (at the pool cut-off date).

5,000 < savings <= 7,500	103	3.00%	26,213,026.77	2.91%	4.73%	110.02%
7,500 < savings <= 10,000	78	2.27%	19,450,757.82	2.16%	4.69%	109.78%
10,000 < savings <= 20,000	134	3.90%	38,253,875.07	4.25%	4.92%	103.95%
20,000 < savings <= 30,000	34	0.99%	10,702,895.32	1.19%	5.12%	99.59%
30,000 < savings <= 40,000	8	0.23%	2,862,867.83	0.32%	5.13%	96.52%
40,000 < savings <= 50,000	7	0.20%	2,746,784.00	0.31%	4.87%	99.56%
50,000 < savings	3	0.09%	1,151,419.56	0.13%	5.04%	102.44%
Grand Total	3,434	100.00%	899,929,153.83	100.00%	4.83%	107.50%

TABLE S - Seasoning of the mortgage loan parts

	Number of loan parts	Proportion of pool (%)	Aggregate Outstanding Principal Amount (EUR)	Proportion of pool (%)	w.a. Coupon	w.a. LTFV
Seasoning in months						
months <= 3	408	4.99%	47,060,116.36	5.23%	4.67%	106.38%
3 < months <= 6	595	7.27%	56,834,526.24	6.32%	5.05%	107.34%
6 < months <= 9	812	9.93%	85,030,392.08	9.45%	5.44%	107.59%
9 < months <= 12	570	6.97%	59,785,200.80	6.64%	5.47%	108.66%
12 < months <= 18	952	11.64%	103,589,720.59	11.51%	5.14%	104.12%
18 < months	4,844	59.21%	547,629,197.76	60.85%	4.60%	108.12%
Grand Total	8,181	100.00%	899,929,153.83	100.00%	4.83%	107.50%

TABLE T - NHG loan parts in the Pool

	Number of loan parts	Proportion of pool (%)	Aggregate Outstanding Principal Amount (EUR)	Proportion of pool (%)	w.a. Coupon	w.a. LTFV
NHG						
NHG	1,298	15.87%	108,464,819.58	12.05%	4.38%	105.63%
not NHG	6,883	84.13%	791,464,334.25	87.95%	4.89%	107.76%
Grand Total	8,181	100.00%	899,929,153.83	100.00%	4.83%	107.50%

TABLE U - Indexed Current Loan-to-Foreclosure-Value (PBK index on a province basis (October 2009))

	Number of loan parts	Proportion of pool (%)	Aggregate Outstanding Principal Amount (EUR)	Proportion of pool (%)	w.a. Coupon	w.a. LTFV
Range of indexed-Loan-to-Foreclosure-Value						
iltfv <= 25%	39	1.14%	1,994,736.45	0.22%	4.69%	17.98%
25% < iltfv <= 50%	95	2.77%	11,173,724.46	1.24%	4.65%	41.19%
50% < iltfv <= 60%	60	1.75%	10,214,545.75	1.14%	4.55%	55.73%
60% < iltfv <= 70%	109	3.17%	23,056,420.49	2.56%	4.56%	65.25%
70% < iltfv <= 80%	159	4.63%	36,689,118.28	4.08%	4.58%	76.20%
80% < iltfv <= 90%	251	7.31%	61,127,742.97	6.79%	4.68%	87.06%
90% < iltfv <= 100%	354	10.31%	100,314,256.33	11.15%	4.70%	100.27%
100% < iltfv <= 105%	253	7.37%	71,318,345.36	7.92%	4.71%	106.90%
105% < iltfv <= 110%	261	7.60%	76,148,968.59	8.46%	4.68%	109.86%
110% < iltfv <= 115%	354	10.31%	99,199,213.59	11.02%	4.74%	112.26%
115% < iltfv <= 120%	413	12.03%	115,581,307.51	12.84%	4.83%	115.47%
120% < iltfv <= 125%	487	14.18%	133,690,179.24	14.86%	4.95%	119.29%
125% < iltfv <= 130%	456	13.28%	122,176,666.17	13.58%	5.15%	122.42%
130% < iltfv <= 135%	142	4.14%	36,306,428.64	4.03%	5.35%	124.11%
135% < iltfv <= 140%	1	0.03%	937,500.00	0.10%	5.03%	125.00%
Grand Total	3,434	100.00%	899,929,153.83	100.00%	4.83%	107.50%

TABLE V - Current Loan-to-Market-Value (foreclosure value is 85% of the market value)

	Number of loans	Proportion of pool (%)	Aggregate Outstanding Principal Amount (EUR)	Proportion of pool (%)	w.a. Coupon	w.a. LTFV
Range of Loan-to-Market-Value						
ltmv <= 25%	59	1.72%	3,573,892.26	0.40%	4.83%	22.25%
25% < ltmv <= 50%	138	4.02%	21,199,313.28	2.36%	4.58%	49.95%
50% < ltmv <= 60%	114	3.32%	22,612,139.19	2.51%	4.69%	65.19%
60% < ltmv <= 70%	203	5.91%	46,335,628.89	5.15%	4.57%	76.95%
70% < ltmv <= 80%	313	9.11%	76,114,728.11	8.46%	4.72%	88.17%
80% < ltmv <= 90%	400	11.65%	106,613,624.80	11.85%	4.78%	100.22%
90% < ltmv <= 100%	1,068	31.10%	301,844,619.88	33.54%	4.80%	112.46%
100% < ltmv <= 105%	742	21.61%	211,801,219.05	23.54%	4.98%	120.66%
105% < ltmv <= 110%	397	11.56%	109,833,988.37	12.20%	4.96%	124.45%
Grand Total	3,434	100.00%	899,929,153.83	100.00%	4.83%	107.50%

TABLE W - Indexed Loan-to-Market-Value (PBK index on a province basis (October 2009))

	Number of loans	Proportion of pool (%)	Aggregate Outstanding Principal Amount (EUR)	Proportion of pool (%)	w.a. Coupon	w.a. LTFV
Range of indexed-Loan-to-Market-Value						
iltmv <= 25%	53	1.54%	3,076,893.37	0.34%	4.78%	21.19%
25% < iltmv <= 50%	132	3.84%	18,343,078.55	2.04%	4.56%	48.20%
50% < iltmv <= 60%	126	3.67%	26,564,456.62	2.95%	4.56%	65.02%
60% < iltmv <= 70%	191	5.56%	43,887,271.88	4.88%	4.59%	77.85%
70% < iltmv <= 80%	345	10.05%	89,020,763.17	9.89%	4.73%	90.71%
80% < iltmv <= 90%	516	15.03%	147,405,310.15	16.38%	4.67%	105.45%
90% < iltmv <= 100%	789	22.98%	223,554,705.59	24.84%	4.73%	112.30%
100% < iltmv <= 105%	540	15.73%	149,984,941.65	16.67%	4.92%	117.87%
105% < iltmv <= 110%	563	16.39%	151,290,698.68	16.81%	5.10%	121.90%
110% < iltmv <= 115%	178	5.18%	45,863,534.17	5.10%	5.35%	124.08%
115% < iltmv <= 120%	1	0.03%	937,500.00	0.10%	5.03%	125.00%
Grand Total	3,434	100.00%	899,929,153.83	100.00%	4.83%	107.50%

NHG GUARANTEE PROGRAMME

NHG Guarantee

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

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

Financing of the WEW

The WEW finances itself, *inter alia*, by a one-off charge to the borrower of 0.45 per cent. (2009) of the principal amount of the mortgage loan. Besides this, the NHG scheme provides for liquidity support to the WEW from the Dutch State and the participating municipalities. Should the WEW not be able to meet its obligations under guarantees issued, the Dutch State will provide subordinated interest free loans to the WEW of up to 50 per cent. of the difference between the WEW's own funds and a pre-determined average loss level. Municipalities participating in the NHG scheme will provide subordinated interest free loans to the WEW of the other 50 per cent. of the difference. Both the keep well agreement between the Dutch State and the WEW and the keep well agreements between the municipalities and the WEW contain general 'keep well' undertakings of the Dutch State and the municipalities to enable the WEW at all times (including in the event of bankruptcy ("*faillissement*"), suspension of payments ("*surseance van betaling*") or liquidation ("*ontbinding*") of the WEW) to meet its obligations under guarantees issued.

Terms and conditions of the NHG Guarantee

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

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

The WEW has specific rules for the level of credit risk that will be accepted. The credit worthiness of the applicant must be verified with the National Credit Register ("*Bureau Krediet Registratie*") ('**BKR**'), a central credit agency used by all financial institutions in the Netherlands, and must be verified with the Foundation on Fraud Prevention Mortgages ("*Stichting Fraudepreventie Hypotheken*") ('**SFH**'). All financial commitments over the past five years that prospective borrowers have entered into with financial institutions, as well as registrations of certain defaults and arrears under financial commitments, are recorded in this register, except for normal performing procedures.

To qualify for an NHG Guarantee various conditions relating to valuation of the property must be met. In addition, the mortgage loan must be secured by a first ranking mortgage right (or a second ranking mortgage right in case of a further advance). Furthermore, the borrower is required to take out insurance in respect of the mortgaged property against risk of fire, flood and other accidental damage for the full restitution value thereof. The borrower is also required to create a right of pledge in favour of the lender on the rights of the relevant

borrower against the insurance company under the relevant life insurance policy connected to the mortgage loan or to create a right of pledge in favour of the lender on the proceeds of the investment funds. The terms and conditions also require a risk insurance policy which pays out upon the death of the borrower/insured for the period that the amount of the mortgage loan exceeds 80 per cent. of the value of the property.

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

As of 1 July 2009 an NHG Guarantee can be issued up to a maximum amount of EUR 350,000.

Claiming under the NHG Guarantees

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

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

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

Additional loans

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

Main NHG underwriting criteria ('NHG Underwriting Criteria'), ("*voorwaarden en normen*") per 2009

As from January 2007 an NHG loan must also meet with the criteria of The Code of Conduct on Mortgaged Credits ("*Gedragscode Hypothecaire Financieringen*") monitored by the Mortgage Lenders Contact Organisation ("*Contactorgaan Hypothecaire Financiers*" or '**CHF**') for example with respect to the maximum loan to income (www.nvb.nl).

As from April 2007, the interest rate used to calculate the maximum loan to income is also prescribed by the CHF for fixed interest periods of less than 10 years.

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

- The lender has to perform a BKR check. "A" and "A1" registrations (indicating arrears with respect to other financial obligations of the relevant borrower) are allowed in certain circumstances.
- As a valid source of income the following applies: indefinite contract of employment, temporarily contract of employment if the employer states that the employee will be provided an indefinite contract of employment in case of equal performance of the employee and equal business circumstances, for flexworkers a three year history of income statements, for self employed three year annual statements.
- The maximum loan based on the income will be based on the "woonquote" tables and an annuity style redemption (even if the actual loan is (partially) interest only). The mortgage lender shall calculate the borrowing capacity of a borrower of a mortgage loan with a fixed interest terms of less than 10 years on the basis of a percentage determined by the CHF which is in turn based on the market interest on loans to the Dutch State with a remaining life of 10 years, plus such margin as may be determined by the CHF. This margin is fixed for the time being at 1 percentage point. The mortgage lender may also apply a higher notional interest rate when calculating the borrowing capacity of the borrower. The mortgage lender shall calculate the borrowing capacity for a mortgage loan with a fixed interest term of 10 years or more on the basis of the interest rate actually charged by the mortgage lender during that fixed interest term.

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

- The absolute maximum loan amount is EUR 350,000. The loan amount is also limited by the amount of income and the market value of the property. With respect to the latter:
 - For the purchase of existing properties, the loan amount is broadly based on the sum of (i) the lower of the purchase price and the market value based on a valuation report, (ii) the costs of improvements, (iii) 12 per cent of the amount under (i) plus (ii). In case an existing property can be bought without paying stampduty ("*vrij op naam*"), the purchase amount under (i) is multiplied by 93 per cent.
 - For the purchase of a properties to be built, the maximum loan amount is broadly based on the sum of (i) purchase-/construction cost increased with a number of costs such as the cost of construction interest, VAT and architects (to the extent not included already in the purchase-/construction cost), (ii) 8 per cent of the amount under (i).
- The maximum loan amount that is interest only is 50% of the market value of the property.
- The Risk Insurance Policy should at a minimum cover the loan amount in excess of 80% of the market value.

MORTGAGE LOAN UNDERWRITING AND MORTGAGE SERVICES

Introduction

The Mortgage Loans are originated by the Seller and are distributed through the channel of intermediaries including insurance brokers, banks, real estate agents and specialised mortgage brokers.

Delta Lloyd has entered into an agreement with a leading provider of activities consisting of mortgage payment transactions and ancillary activities, Stater Nederland B.V. ('**Stater**'), established on 1 January 1997. Pursuant to this agreement Stater provides the Group with origination systems and certain other activities (including mortgage payment transactions and ancillary activities). These systems and activities are used amongst others on a day-to-day basis by Delta Lloyd Bank in relation to the Seller's origination process and the administration of mortgage loans originated by the Seller.

Delta Lloyd's mortgage activities comprise all commercial activities leading to the granting of mortgage loans and the technical administrative control of the portfolio and the handling of mortgage loans with arrears exceeding the average. Payment transactions between the lender and the borrower relating to mortgages, are undertaken by Stater.

Origination

Stater provides an origination system, including automated underwriting, incorporating the specific Delta Lloyd rules for the underwriting process. Stater handles therefore contact with the borrower and provides high-quality financial and portfolio performance reports and information. The process is to a large extent paperless after an initial physical check of relevant documents is performed and is conducted on a computer system developed by Stater specifically to allow underwriting rules and controls to be encoded in an automated underwriting system and provide high-quality performance information. Direct contact with clients, however, is exclusively maintained by Delta Lloyd.

New mortgage loans are accepted on the basis of a fixed underwriting protocol. The application is sent to Delta Lloyd by email, regular mail, fax or HDN (the Mortgage Data Network: the "*Hypotheken Data Netwerk*"). The Delta Lloyd underwriter then enters the application data in the iSHS system ("*internationaal Stater Hypotheken Systeem*"), which inputs the conditions and assesses the application automatically, including a credit check with BKR, a credit score with iSHS, a check whether the identity card is stolen or missing with VIS ("*Verificatie Informatie Systeem*") and a fraud check with SFH and Sheriff (cooperation on fraud detection between lenders). If the system approves, then a conditional offer is sent out, subject to verification of the application input such as salary, employment and property details. Delta Lloyd Bank has authorised several buying associations ("*inkoopcombinaties*") to enter applications for new mortgage loans in the iSHS system.

Description of the Origination department

The principal items in the underwriting protocol are:

(a) *Maximum amounts*

If the loan is guaranteed by the *Stichting Waarborgfonds Eigen Woningen*, the maximum amount of the mortgage loan which will be granted is euro 350,000 at the date of this Prospectus. Higher amounts are only possible without NHG and to be approved by the relevant credit approving authorities within Delta Lloyd. The minimum amount at Delta Lloyd is euro 10,000.

(b) *Creditworthiness and Debt-to-income ratio ("Woonquote")*

The process of verifying the creditworthiness is set up to determine whether the prospective borrower has sufficient monthly income available to meet its payments on the requested mortgage loan as well as to support other financial obligations and monthly living expenses. A check on the income is conducted by requesting a recent employer's declaration. In general, the debt service-to-income ratio increases with the borrower's income with the percentage ranging between 34.4% for a salary above euro 27,001 up to euro 36,000, 36.4% for a salary above euro 36,001 up to euro 45,000, 38.4% for a salary above euro 45,001 up to euro 65,000 and 40.4% for a salary above euro 65,001. For salaries up to euro 27,000 NHG rules are followed.

(c) Collateral

With each application, the potential borrower has to send an original appraisal called valuation report ("*taxatie rapport*"), which is drawn up by a sworn-in appraiser called "*taxateur*" or an assessment by the Netherlands tax authorities on the basis of the Act on Valuation of Real Property ("*Wet Waardering Onroerende Zaken*"). The latter is only allowed if the LTV is below 75 per cent. on the basis of such assessment. For new builds no valuation is required if the property is built by professional builders, unless the relevant Mortgage Loan to be granted exceeds 108% of the purchase and construction costs of the property involved.

(d) Foreclosure Value

The appraised Foreclosure Value ("*executiewaarde*") is approximately 85% of the market value ("*vrije verkoopwaarde*") at the time of loan origination. Mortgage loans that do not have the benefit of a Municipality Guarantee or an NHG Guarantee are granted up to a maximum of 125% of the foreclosure value (only mortgages up to 126% of the foreclosure value at the time of origination are included in the portfolio).

(e) Other underwriting conditions

Apart from the principal underwriting factors already mentioned, the following rules apply: (i) mortgage loans are granted only to individuals, (ii) joint and several liability for the mortgage loan (all owners are joint and several debtors) and (iii) mortgage loans are only granted on the basis of owner occupancy (no investment mortgaged assets).

Mortgage Processing Procedures

Payment collections ("inningen") Procedures

At origination, the borrower always agrees with the Seller that monthly payments will be automatically withdrawn from its bank account by direct debit. All borrowers of the Seller pay this way. Direct debit will not be successful if the balance of the borrowers' account is not sufficient to cover the full amount of the scheduled monthly payment. If the balance is insufficient for the full drawing on the payment date, then, depending on the borrower's bank, there will be more than one attempt to withdraw the full amount of the scheduled payment. If the balance is insufficient for the full drawing on the payment date, then, in case the borrower has a Postbank account, there will be more than one attempt to withdraw the full amount of the scheduled payment. Other banks do not provide this service.

Payments are due on the first day of each month ("*vervaldag*"). The direct debit has to take place at the latest one day before the last business day of the previous month.

Stater, on behalf of the Seller, draws the monthly payments from the borrower's bank account and is obliged to transfer these payments directly onto the Seller's accounts. The Stater computer system automatically collects the payments, and the related information is monitored daily by personnel in the arrears department of Stater.

Arrears Procedures

As of 14 December 2003, all arrears are detected and signalled on a daily basis. For each loan in arrears, an Automatic Arrears Processing procedure ("*Automatische Afhandeling Achterstanden*") is initiated. If the total amount in arrears is more than euro 5, a first reminder letter is automatically generated by the system and sent out to the borrower within fourteen days after the arrear has been signalled. This letter includes a specification of the arrears. Penalty interest is due as of the missing payment date, and is incorporated in the letters after the monthly closing has passed.

In case no payment is received within fourteen days after the first reminder letter has been sent, a second, more firm letter is sent. If the borrower does not respond within two weeks the loan of such a borrower is given an active treatment status in the Stater system. A distinction is made between the borrowers, based upon the previous payment-behaviour: (i) normal, (ii) '*sleper*' (meaning the borrower has had an irregular payment pattern during a longer period) or (iii) '*recidivist*' (a borrower who is or has been more than three months in arrears in the last twelve months period or who has previously been in a recovery phase).

Defaults Procedures

Loans in arrears by more than euro 1,500 or for more than two months are treated by a special servicing team ("*Team Bijzonder Beheer*") at Delta Lloyd Bank. The members of this team have an average of 10 years' experience in the mortgage business and it currently employs 9 people. In other words, Delta Lloyd Bank performs the servicing with respect to defaulted loans that require direct contact with the relevant Borrowers. Delta Lloyd Bank will assess whether a solution to the payment problem can be reached. This can range from rescheduling the arrears to a voluntary sale of the property by the borrower. If no solution can be found, the foreclosure process will start.

From decision to foreclose to actual foreclosure and receipt of the foreclosure proceeds has generally not taken more than 3 to 4 months. In total the process from first arrears to receiving foreclosure proceeds may take up to 10 months. For loans with a high LTV Delta Lloyd Bank uses a shorter time frame. Delta Lloyd Bank continues to exert pressure on the borrower for any losses that remain after foreclosure, ensuring that all obligations are met to the fullest possible extent.

STATER NEDERLAND B.V.

Stater Nederland B.V. (**'Stater'**) will be appointed as sub agent of the MPT Provider to perform certain of its obligations under the Issuer Services Agreement (see the section *Issuer Services Agreement* below). In fulfilling this role, Stater focuses on support for mortgage funders in the sale, handling and financing of mortgage portfolios.

Stater started its activities in January 1997, as part of Bouwfonds Hypotheken, as an independent service provider in the mortgage market. Stater has since grown to become an international force in the market with circa 500 employees.

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

Stater provides activities consisting of mortgage payment transactions and ancillary activities with regard to a total of more than EUR 163 billion and approximately 952,000 mortgage loans. In the Netherlands, with respect to residential mortgage loans, Stater has a market share of about 30%

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

Stater provides an origination system that includes automated underwriting, allowing loan funders to specify underwriting criteria for each product.

In April 2009, Stater was awarded high marks by rating agency Fitch for the quality of its services. On a scale of 1 to 5 (1 the highest), Stater received a 2+ for its role as 'primary servicer' and a 2- for that of 'special servicer'.

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

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

MORTGAGE RECEIVABLES PURCHASE AGREEMENT

Under the Mortgage Receivables Purchase Agreement the Issuer will purchase and, on the Closing Date, accept from the Seller the assignment of the Mortgage Receivables by means of a registered deed of assignment as a result of which legal title to the Mortgage Receivables is transferred to the Issuer. It is a condition of the Issuer for the purchase and acceptance of the assignment of the Mortgage Receivables that any Beneficiary Rights which are connected to the Mortgage Receivables and which are to be applied towards redemption of the Mortgage Receivables, are assigned to the Issuer together with such Mortgage Receivables, to the extent legally possible and required. The Seller will agree to assign such Beneficiary Rights to the Issuer and the Issuer will agree to accept such assignment. The assignment of the Mortgage Receivables and the Beneficiary Rights relating thereto from the Seller to the Issuer will not be notified to the Borrowers and the Insurance Companies respectively, except upon the occurrence of any of the events as further described hereunder ('**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 proceeds in respect of the Mortgage Receivables as of the Cut-off Date. The Seller (or a third party on its behalf) will pay to the Issuer on each Mortgage Payment Date all proceeds received during the immediately preceding Mortgage Calculation Period in respect of the Mortgage Receivables.

Purchase Price

The purchase price for the Mortgage Receivables shall consist of an initial purchase price (the '**Initial Purchase Price**') and a deferred purchase price (the '**Deferred Purchase Price**'). The Initial Purchase Price will be equal to the aggregate Outstanding Principal Amount on the Cut-Off Date, being euro 905,977,916.94, which shall be payable on the Closing Date. A part of the Initial Purchase Price which is equal to the aggregate Construction Amount, being euro 8,144,894, will be withheld by the Issuer and will be deposited in the Construction Account.

The Deferred Purchase Price shall be equal to the sum of all Deferred Purchase Price Instalments. On each Monthly Payment Date such instalment will be equal to (A) (i) prior to an Enforcement Notice has been given and prior to the Monthly Payment Date on which the Mortgage-Backed Notes will be or have been redeemed in full, an amount equal to the positive difference, if any, between the Notes Interest Available Amount as calculated on each Monthly 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 (v) on such Monthly Payment Date and (ii) prior to an Enforcement Notice has been given and as of the Monthly Payment Date on which the Mortgage-Backed Notes will be or have been redeemed in full, on such Monthly Payment Date and on each Monthly Payment Date thereafter, an amount equal to the positive difference, if any, between the Notes Interest Available Amount as calculated on each Monthly 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 (v) on such Monthly Payment Date less an amount equal to the expected future operating expenses set out in items (a) up to and including (c) of the interest Priority of Payments and (B) after an Enforcement Notice has been given, the amount remaining after all payments as set forth in the Priority of Payments upon Enforcement under (a) up to and including (q) have been made on such date (each a '**Deferred Purchase Price Instalment**') (see the section *Credit Structure* above).

The '**Outstanding Principal Amount**' in respect of a Mortgage Receivable means on any date (a) the (then) remaining aggregate principal sum ("*hoofdsom*") due by the relevant Borrower of the relevant Mortgage Receivable at such time and (b) after the occurrence of a Realised Loss of the type (a) and (b) in respect of such Mortgage Receivable, zero.

Representations and warranties

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

- (a) each of the Mortgage Receivables and the Beneficiary Rights relating thereto is duly and validly existing and is not subject to annulment or dissolution as a result of circumstances which have occurred prior to or on the Closing Date;
- (b) it has full right and title ("*title*") to the Mortgage Receivables and the Beneficiary Rights relating thereto and power ("*is beschikkingsbevoegd*") to assign the Mortgage Receivables and the Beneficiary Rights relating thereto and no restrictions on the sale and assignment of the Mortgage Receivables and the Beneficiary Rights relating thereto are in effect and the Mortgage Receivables and the Beneficiary Rights relating thereto are capable of being assigned and pledged;

- (c) the Mortgage Receivables and the Beneficiary Rights relating thereto are free and clear of any encumbrances and attachments ("*beslagen*") and no option rights to acquire the Mortgage Receivables and the Beneficiary Rights relating thereto have been granted in favour of any third party with regard to the Mortgage Receivables and the Beneficiary Rights relating thereto;
- (e) the mortgage deeds in respect of the Mortgage Loans originated by the Seller prior to 8 September 2005, (i) contain the provision that the mortgage right will partially follow, *pro rata*, the receivable upon its assignment and (ii) do not contain, nor any other agreements between the Seller and the relevant Borrower in respect of the relevant Mortgage Receivables contain, any explicit provision on the issue whether (x) the rights of pledge follows the receivable upon its assignment or pledge and (y) the mortgage right follows the receivable upon its pledge;
- (f) the mortgage deeds in respect of the Mortgage Loans originated by the Seller after 8 September 2005, contain the provision that the mortgage right and the rights of pledge will partially follow, *pro rata*, the receivable upon its assignment and pledge;
- (g) each Mortgaged Asset concerned was appraised when application for the relevant Mortgage Loan was made by an independent qualified valuer; for property to be constructed or in construction at the time of application for a Mortgage Loan no appraisal is required, unless the Mortgage Loan to be granted exceeded 108 per cent. of the purchase and construction costs of the property involved;
- (h) each Mortgage Receivable, the mortgage right and the rights of pledge, if any, securing such receivable constitute legal, valid, binding and enforceable obligations of the relevant Borrower vis-à-vis the Seller;
- (i) all mortgage rights and all rights of pledge securing the Mortgage Loans (i) constitute valid mortgage rights ("*hypotheekrechten*") and rights of pledge ("*pandrechten*") respectively on the Mortgaged Assets and the assets which are the subject of the rights of pledge, are governed by Dutch law and, to the extent relating to the mortgage rights to secure the Mortgage Receivables, have been entered into the appropriate public register ("*Dienst van het Kadaster en de Openbare Registers*"), (ii) have first priority ("*eerste in rang*") or first and sequentially lower ranking priority, and (iii) were vested for an outstanding principal amount which is at least equal to the Outstanding Principal Amount when originated, increased with interest, penalties, costs and insurance premium, together up to an amount equal to at least 140 per cent. of the Outstanding Principal Amount in respect of the Mortgage Receivables upon origination;
- (j) each of the Mortgage Loans has been granted, and each of the mortgage rights and rights of pledge has been vested, subject to the general terms and conditions and materially in the forms of mortgage deeds as attached to the Mortgage Receivables Purchase Agreement;
- (k) each of the Mortgage Loans was originated after 18 October 2002;
- (l) each of the Mortgage Loans and, to the extent offered by the Seller, the relevant Insurance Policy, has been granted in accordance with all applicable legal requirements prevailing at the time of origination in all material respects, excluding the requirements under the Bka, but including, after coming into force, the Code of Conduct on Mortgage Loans ("*Gedragcode Hypothecaire Financieringen*") including borrower income requirements and met in all material respects (i) the Seller's standard underwriting criteria and procedures prevailing at that time, which do not materially differ from the criteria and procedures set forth in the Handbook Delta Lloyd Hypotheken ("*Handboek Delta Lloyd Hypotheken*") as attached to the Mortgage Receivables Purchase Agreement and (ii) in respect of the NHG Mortgage Receivables, the NHG Underwriting Criteria, and which are in a form as may reasonably be expected from a prudent lender of Dutch residential mortgages;
- (m) each receivable under a mortgage loan ("*hypothecaire lening*") which is secured by the same mortgage right is sold and assigned to the Issuer pursuant to the Mortgage Receivables Purchase Agreement;
- (o) the Borrowers are not in any material breach of any provision of their Mortgage Loans on the Cut-off Date;
- (p) each Mortgage Loan was granted by the Seller and to a private individual only;

- (q) on the Cut-off Date, no amounts due and payable under any of the Mortgage Loans, were in arrears;
- (r) each of the Mortgage Loans meets the Mortgage Loan Criteria as set forth below;
- (s) the loan files relating to Mortgage Loans which are in electronic format, contain the same information and details with regard to the Mortgage Loans as the loan files relating to such Mortgage Loans which are kept in paper format;
- (t) with respect to each of the Mortgage Loans secured by a mortgage right on a long lease ("*erfpacht*"), of which the relevant Mortgage Loan has a maturity that is longer than the term of the long lease, it was, upon origination, envisaged that the long lease will be extended upon maturity and pursuant to the mortgage deed the relevant Outstanding Principal Amount, and accrued interest, will become immediately due and payable if the long lease is not extended and/or the leaseholder does not create a new mortgage right;
- (u) with respect to each of the Mortgage Receivables secured by a mortgage right on a long lease ("*erfpacht*") provide that the relevant Outstanding Principal Amount, including interest, will become immediately due and payable if the long lease terminates as a result of a breach by the leaseholder, the leaseholder materially breaches or ceases to perform its payment obligation under the long lease ("*canon*") or if the leaseholder in any other manner breaches the conditions of the long lease;
- (v) other than the aggregate Construction Amount under construction mortgage loans ("*bouwhypotheken*"), all Mortgage Loans have been fully disbursed, whether or not through the civil law notary, and no amounts are held by the Savings Insurance Company in deposit with respect to the Mortgage Loans as premia and interest payments ("*rente- en premiedepot*") in excess of (i) an aggregate amount of EUR 500,000 and (ii) the Bank Savings Deposits;
- (w) it has not accepted any deposits from the Borrowers and it currently does not have any current account relationship with the Borrowers;
- (x) in respect of each of the Savings Mortgage Receivables and the Life Mortgage Receivables, the Seller has the benefit of a valid right of pledge on the rights under the Savings Insurance Policy and the Life Insurance Policy, respectively, and either (i) the Seller has been validly appointed as beneficiary ("*begunstigde*") under such Insurance Policies, upon the terms of the relevant Mortgage Loans and the relevant Insurance Policies, which have been notified to the Insurance Company or (ii) the relevant Insurance Company has been given a Borrower Insurance Proceeds Instruction;
- (y) it has no Other Claims;
- (z) it can be determined in its administration without any uncertainty which Beneficiary Rights belong to which Mortgage Receivables;
- (aa) each Mortgage Loan constitutes the entire mortgage loan granted to the relevant Borrower and not merely one or more loan parts ("*leningdelen*");
- (bb) there is no relationship between the Mortgage Loans and any Investment Portfolio, other than the right of pledge thereof granted by the relevant Borrower to the Seller;
- (cc) with respect to Investment Mortgage Loans, the relevant investments held in the name of the relevant Borrower have been validly pledged to the Seller and the securities are purchased on behalf of the relevant Borrower by the Seller for the account of the Borrowers and these securities are held in custody by an admitted institution of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. in accordance with the Wge or, if they do not qualify as securities within the meaning of the Wge, by a separate depository vehicle in accordance with Section 6:18 of the Further Regulation on Conduct Supervision of Financial Enterprises;
- (dd) the Seller has not been notified and is not aware of anything affecting the Seller's title to the Mortgage Receivables;

- (ee) the Mortgage Conditions provide that all payments by the relevant Borrowers should be made without any deduction or set-off;
- (ff) it has accounted for and distinguished between all interest and principal payments relating to the Mortgage Loans;
- (gg) all Bank Savings Accounts are held with the Bank Savings Participant;
- (hh) in the Mortgage Conditions no further drawings and/or further credits have been agreed or anticipated;
- (ii) each NHG Mortgage Receivable has the benefit of an NHG Guarantee (i) which has been granted for the full Outstanding Principal Amount in respect of the Mortgage Loan at origination and constitutes legal, valid and binding obligations of *Stichting Waarborgfonds Eigen Woningen* enforceable in accordance with its terms, (ii) all terms and conditions ("*voorwaarden en normen*") applicable to the NHG Guarantee at the time of origination of the Mortgage Loans (the '**NHG Underwriting Criteria** ') were complied with, (iii) the Seller is not aware of any reason why any claim under the NHG Guarantee granted by *Stichting Waarborgfonds Eigen Woningen* in respect of any NHG Mortgage Receivable should not be met in full and in a timely manner; and
- (jj) the aggregate Outstanding Principal Amount of the NHG Mortgage Receivables on the Cut-off Date was equal to euro 108,464,820.

Repurchase

If at any time after the Closing Date any of the representations and warranties relating to a Mortgage Loan or a Mortgage Receivable or the Beneficiary Rights relating thereto proves to have been untrue or incorrect in any material respect, the Seller shall within 30 calendar days of having knowledge of such breach or receipt of written notice thereof from the Issuer or the Security Trustee remedy the matter giving rise thereto and if such matter is not capable of being remedied or is not remedied within the said period of 30 calendar days, the Seller shall on the immediately succeeding Mortgage Payment Date or such earlier date as practically possible repurchase and accept re-assignment of such Mortgage Receivable and the Beneficiary Rights relating thereto.

On the Mortgage Payment Date immediately following the date on which the Seller has obtained any Other Claim(s) vis-à-vis any Borrower including resulting from a Further Advance, it shall repurchase and accept re-assignment of the Mortgage Receivable on the terms and conditions set forth above on such Mortgage Payment Date.

The Seller shall also undertake to repurchase and accept re-assignment of a Mortgage Receivable if it agrees with a Borrower to either (a) amend the terms of the Mortgage Loan and such amendment is not in accordance with the conditions set out in the Mortgage Receivables Purchase Agreement, which include the condition that after such amendment the Mortgage Loan continues to meet each of the Mortgage Loan Criteria (as set out below) and the representations and warranties of the Mortgage Receivables Purchase Agreement (as set out above) provided that if such amendment is made as part of the enforcement procedures to be complied with upon a default by the Borrower under the relevant Mortgage Loan or is otherwise made as part of a restructuring or renegotiation of the relevant Mortgage Loan due to a deterioration of the credit quality of the Borrower of such Mortgage Loan the Seller shall not repurchase the relevant Mortgage Receivable or (b) grant a Further Construction Loan, on the immediately succeeding Mortgage Payment Date.

The Seller shall also undertake to repurchase and accept re-assignment of a Mortgage Receivable if it agrees with a Borrower to switch a Savings Mortgage Loan or a Life Mortgage Loan with a Savings Element or a Bank Savings Mortgage Loan into (a part of) any type of Mortgage Loan other than a Savings Mortgage Loan or a Life Mortgage Loan with a Savings Element or a Bank Savings Mortgage Loan on the immediately succeeding Mortgage Payment Date.

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

Finally, the Seller will be obliged to repurchase a Mortgage Receivable if a Borrower (i) invokes a defence based upon non-compliance by the Seller with the Bka and (ii) refuses to pay any amount due under the relevant Mortgage Loan as a consequence thereof, on the immediately succeeding Mortgage Payment Date following such event.

All Mortgage Receivables to be repurchased by the Seller shall be repurchased for a price equal to the then Outstanding Principal Amount, together with interest accrued up to but excluding such Mortgage Payment Date and reasonable costs relating thereto (including any costs incurred by the Issuer in effecting and completing such repurchase and re-assignment).

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

Clean-Up Call Option

On each Monthly Payment Date the Seller may exercise the Clean-Up Call Option. The Issuer has undertaken in the Mortgage Receivables Purchase Agreement to sell and assign the Mortgage Receivables to the Seller or any third party appointed by the Seller in its sole discretion, in case of the exercise of the Clean-Up Call Option.

Regulatory Call Option

On each Monthly Payment Date the Seller has the option to repurchase the Mortgage Receivables upon the occurrence of a Regulatory Change. A '**Regulatory Change**' will be a change published on or after the Closing Date in the Basel Capital Accord promulgated by the Basel Committee on Banking Supervision (the '**Basel Accord**'), in the Basel II Capital Accord promulgated by the Basel Committee on Banking Supervision as set forth in the EU Capital Adequacy Directive, 2006/49/EG, as amended and supplemented from time to time (the '**Basel II Accord**') and the European Parliament legislative resolution of 22 April 2009 on the amended proposal for a directive of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance (the '**Solvency II Framework Directive**') or in the international, European or Dutch regulations, rules and instructions (which includes rules on solvency requirements) (the '**Bank Regulations**') applicable to the Seller (including any change in the Bank Regulations enacted for purposes of implementing a change to the Basel Accord) or a change in the manner in which the Basel Accord, Basel II Accord or such Bank Regulations are interpreted or applied by the Basel Committee on Banking Supervision or by any relevant competent international, European or national body (including any relevant international, European or Dutch Central Bank or other competent regulatory or supervisory authority) which, in the opinion of the Seller, has the effect of adversely affecting the rate of return on capital of the Seller or increasing the cost or reducing the benefit to the Seller with respect to the transaction contemplated by the Notes.

Sale of Mortgage Receivables

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

See the section *Credit Structure* above for a description of the calculation of the purchase price of the Mortgage Receivables in the case of a sale of Mortgage Receivables to the Seller.

Mortgage Loan Criteria

Each of the Mortgage Loans will meet the following criteria (the '**Mortgage Loan Criteria**')

- (i) the Mortgage Loans are in the form of:
 - (a) linear mortgage loans ("*lineaire hypotheek*");
 - (b) annuity mortgage loans ("*annuïteitenhypotheek*");
 - (c) interest-only mortgage loans ("*aflossingsvrije hypotheek*");

- (d) investment mortgage loans ("*beleggings hypotheek*");
 - (e) savings mortgage loans ("*spaar hypotheek*");
 - (f) bank savings mortgage loans ("*bank spaar hypotheek*");
 - (g) unit-linked ("*unit-linked hypotheek*");
 - (h) universal life mortgage loans ("*universeel leven hypotheek*");
 - (i) life mortgage loans with the option to choose between the Savings Element and the Unit-linked Alternative ("*leven hypotheek*"); and / or
 - (j) traditional life and with an external insurance policy ("*leven hypotheek op basis van traditioneel gemengde verzekering*");
- (ii) the Borrower is not an employee of the Seller or of any company belonging to the same group of companies as the Seller and is a resident of the Netherlands;
 - (iii) the interest rate of each Mortgage Loan is fixed or floating, subject to a reset from time to time;
 - (iv) the Mortgaged Assets are not the subject of residential letting and are occupied by the relevant Borrower;
 - (v) interest payments and, to the extent applicable, principal payments with respect to each Mortgage Loan are scheduled to be made monthly or quarterly;
 - (vi) the Outstanding Principal Amount of each Mortgage Loan, or of all Mortgage Loans secured on the same Mortgaged Asset together does not exceed euro 1,000,000;
 - (vii) the Outstanding Principal Amount of each NHG Mortgage Loan does not exceed the maximum loan amount as stipulated by the relevant NHG Underwriting Criteria;
 - (viii) the legal final maturity of each Mortgage Loan, does not extend beyond November 2039;
 - (ix) the Outstanding Principal Amount of each Mortgage Loan did not, upon origination equal to or exceed 125 per cent. of the Foreclosure Value of the Mortgaged Asset upon origination or as per a later valuation report of the Mortgaged Asset (if any);
 - (x) each Mortgage Loan is secured by a first ranking mortgage right or, in case of Mortgage Loans secured on the same Mortgaged Asset, as the case may be, first and sequentially lower ranking mortgage rights;
 - (xi) the Mortgaged Asset is located in the Netherlands for residential use by the Borrower;
 - (xii) in respect of each Mortgage Loan at least one (interest) payment has been received prior to the Closing Date; and
 - (xiii) without prejudice to the Seller's discretion to grant a Mortgage Loan to a Borrower if such Borrower has a negative registration with BKR, the Seller has performed a credit check with BKR in respect of each Borrower prior to origination.

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 the Seller under the Mortgage Receivables Purchase Agreement or under any Relevant Document to which it is a party and such failure is not remedied within 10 business days after having knowledge of such failure or notice thereof has been given by the Issuer or the Security Trustee to the Seller; or
- (b) the Seller fails duly to perform or comply with any of its obligations under the Mortgage Receivables Purchase Agreement or under any Relevant Document to which it is a party and, if such failure is capable of being remedied, such failure is not remedied within 10 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 Mortgage Receivables Purchase Agreement, other than those relating to the Mortgage Loans and the Mortgage Receivables (which the Seller consequently repurchases), or under any of the Relevant Documents to which the Seller is a party or in any notice or other document, certificate or statement delivered by it pursuant thereto proves to have been, and continues to be after the expiration of any applicable grace period, untrue or incorrect in any material respect; or
- (d) the 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 substantial part of its assets or for its conversion ("*conversie*") into a foreign legal entity or its assets are placed under administration ("*onder bewind gesteld*") ; or
- (e) the Seller has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for the Seller becoming subject to suspension of payments or for bankruptcy, as referred to in the Bankruptcy Act ("*Faillissementswet*") or for any analogous insolvency proceedings under applicable law or for the appointment of a receiver or a similar officer of it or of any or all of its assets; or
- (f) Delta Lloyd N.V. ('**Delta Lloyd** '), at any time, (i) withdraws its statement pursuant to Section 2:403 of the Netherlands Civil Code, filed with the Commercial Register of the Chamber of Commerce in Amsterdam in which it has declared that it is jointly and severally liable for any liabilities arising from legal acts ("*rechtshandelingen*") of the Seller (the '**403-Statement**') or (ii) is requested by a creditor of the Seller to make a payment pursuant to the 403-Statement as a result of non-payment by the Seller; or
- (g) if (i) in the reasonable opinion of the Issuer and the Security Trustee, there is a major change in the activities of Delta Lloyd or any of its subsidiaries, or (ii) Delta Lloyd sells and transfers (or intends to sell and transfer) all or part of the shares in any of its major subsidiaries (which will include, for the avoidance of doubt, the Seller) or any of such major subsidiaries sells and transfers (or intends to sell and transfer) all (or a major part) of its assets or ceases all (or a major part) of its activities; or
- (h) at any time it becomes unlawful for the Seller to perform all or a material part of its obligations under any of the Relevant Documents; or
- (i) Delta Lloyd Bankengroep N.V. ('**Delta Lloyd Bankengroep**') on a consolidated basis, during a period of any two consecutive months fails to have, on a consolidated basis, a solvency ratio at least 0.25 per cent. above the percentage required by Chapter 10 of the Decree prudential rule Wft issued pursuant to the Act of Financial Supervision for tier 1 capital and 0.50 per cent. above the percentage required by Chapter 11 of the Decree prudential rule Wft for tier 1 capital, upper tier 2 capital and lower tier 2 capital together and the actual liquidity is not greater or equal to the required liquidity under the broad liquidity test, as defined in Chapter 11 of the Decree prudential rule Wft during a period of any two consecutive months; or
- (j) a Trustee Notification Event occurs;

then the Seller, provided that the Security Trustee, (i) has notified the Rating Agencies and (ii) in its reasonable opinion does not expect that the then current ratings assigned to the Mortgage-Backed Notes, will be adversely affected as a result of not giving notice as described below, and unless the Security Trustee instructs it otherwise, shall forthwith notify the relevant Borrowers, the Insurance Companies and any other relevant parties indicated by the Issuer and/or the Security Trustee of the assignment of the Mortgage Receivables and the Beneficiary Rights to the Issuer or, at its option, the Issuer shall be entitled to make such notifications itself.

In addition, pursuant to the Beneficiary Waiver Agreement the Seller and the Savings Insurance Company (but only in respect of Insurance Policies with the Savings Insurance Company) will use their best efforts to obtain the co-operation from the Borrower and all other parties to (a) waive its rights as first beneficiary under the Insurance Policies up to the Outstanding Principal Amount of the relevant Mortgage Receivable, (b) appoint as first beneficiary (x) the Issuer until the occurrence of a Trustee Notification Event and (y) the Security Trustee upon the occurrence of a Trustee Notification Event, and (c) with respect to Insurance Policies whereby the initial appointment of the first beneficiary has remained in force as a result of a Borrower Insurance Proceeds Instruction in favour of the Seller to the Savings Insurance Company, withdraw such Borrower Insurance Proceeds Instruction and to issue a Borrower Insurance Proceeds Instruction up to the Outstanding Principal

Amount of the relevant Mortgage Receivable in favour of (x) the Issuer until the occurrence of a Trustee Notification Event and (y) the Security Trustee upon the occurrence of a Trustee Notification Event.

Set-off by Borrowers

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

Co-owned Security Interests

In the Mortgage Receivables Purchase Agreement the Seller, the Issuer and/or the Security Trustee (as applicable) will agree that the Issuer and/or the Security Trustee (as applicable) will manage and administer any co-owned security interests. Furthermore, the Seller, the Issuer and/or the Security Trustee (as applicable) will agree that, in the event of a foreclosure in respect of any of the Mortgage Receivables, the share ("*aandeel*") in each co-owned security interest of the Security Trustee and/or the Issuer will be equal to the Outstanding Principal Amount in respect of the Mortgage Receivables, increased with interest and costs, if any, and the share of the Seller will be equal to the Net Proceeds less the Outstanding Principal Amount in respect of the Mortgage Receivables, increased with interest and costs, if any.

Moreover, it will be agreed in the Mortgage Receivables Purchase Agreement that following a breach by the Seller of its obligations under these agreements or if any of such agreement is dissolved, void, nullified or ineffective for any reason in respect of the Seller, the Seller shall compensate the Issuer and/or the Security Trustee (as applicable) for any and all loss, cost, claim, damage and expense whatsoever which the Issuer and/or the Security Trustee (as applicable) incurs as a result thereof during any Mortgage Calculation Period. Such compensation will have to be paid by the Seller forthwith.

ISSUER SERVICES AGREEMENT

Services

In the Issuer Services Agreement (i) the MPT Provider will agree to provide mortgage payment transactions and other services to the Issuer on a day-to-day basis in relation to the Mortgage Loans and the Mortgage Receivables, including, without limitation, the collection and recording of payments of principal, interest and other amounts in respect of the Mortgage Receivables, and including the direction of amounts received by the Seller to the Issuer Collection Account and the production of monthly reports in relation thereto, and prepare and provide the Issuer Administrator with certain statistical information regarding the Issuer, as required by law, for submission to the relevant regulatory authorities, (ii) the Defaulted Loan Servicer will agree to provide the implementation of arrears procedures including the enforcement of mortgage rights (see further the section *Mortgage Loan Underwriting and Mortgage Services* above) and to provide information on the relevant Participation in the Savings Mortgage Loans and Life Mortgage Loans with a Savings Element and the Bank Savings Mortgage Loans and (iii) the Issuer Administrator will agree to provide certain administration, calculation and cash management services to the Issuer, including (a) drawings (if any) to be made by the Issuer under the Liquidity Facility and from the Reserve Account, (b) all payments to be made by the Issuer under the Swap Agreement and under the other Relevant Documents, (c) all payments to be made by the Issuer under the Notes in accordance with the Paying Agency Agreement and the Conditions, (d) all payments to be made by the Issuer under the Sub-Participation Agreements, (e) the maintaining of all required ledgers in connection with the above, (f) all calculations to be made pursuant to the Conditions under the Notes and (g) the submission of certain statistical information regarding the Issuer as referred to above to certain governmental authorities if and when requested. The Issuer Administrator will also provide the Swap Counterparty with all information necessary in order to perform its role as calculation agent under the Swap Agreement.

The Issuer has outsourced the servicing and administration of the Mortgage Loans and the implementation of arrears procedures, respectively, to Delta Lloyd Bank as the MPT Provider and the Defaulted Loan Servicer. Delta Lloyd Bank holds a banking licence under the Wft. As a result, the Issuer benefits from an exemption from the licence requirement pursuant to the Wft (see also *Licence requirement under the Wft* in the section *Risk factors*). Pursuant to the Issuer Services Agreement, in its role as the MPT Provider and the Defaulted Loan Servicer, Delta Lloyd Bank will be obliged to administer the Mortgage Loans and the Mortgage Receivables at the same level of skill, care and diligence as it administers mortgage loans in its own portfolio.

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

Termination

The appointment of the MPT Provider and/or the Defaulted Loan Servicer and/or the Issuer Administrator under the Issuer Services Agreement may be terminated by the Security Trustee or the Issuer (with the consent of the Security Trustee) in certain circumstances, including (a) a default by the MPT Provider and/or the Defaulted Loan Servicer and/or the Issuer Administrator in the payment on the due date of any payment due and payable by it under the Issuer Services Agreement, without being remedied within the agreed period, (b) a default by the MPT Provider and/or the Defaulted Loan Servicer and/or the Issuer Administrator in the performance or observance of any of its other covenants and obligations under the Issuer Services Agreement without being remedied within the agreed period or (c) the MPT Provider and/or the Defaulted Loan Servicer and/or the Issuer Administrator respectively has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for its entering into suspension of payments (only in respect of the Issuer Administrator) or emergency regulations ("*noodregeling*") as referred to in Chapter 3 of the Wft (only in respect of the MPT Provider and/or the Defaulted Loan Servicer) or for any analogous insolvency proceedings under any applicable law or for bankruptcy or for the appointment of a receiver or a similar officer of its or any or all of its assets or (iv) (only in respect of the MPT Provider and/or the Defaulted Loan Servicer) the MPT Provider and/or Defaulted Loan Servicer no longer holds a licence as intermediary ("*bemiddelaar*") or offeror of credit ("*aanbieder*") under the Wft.

The Security Trustee and the Issuer shall use their best efforts to appoint a substitute mpt provider and/or defaulted loan servicer and/or issuer administrator to the extent possible prior to the termination of the appointment of the MPT Provider and/or the Defaulted Loan Servicer and/or the Issuer Administrator under the

Issuer Services Agreement, and such substitute mpt provider and/or defaulted loan servicer and/or issuer administrator shall enter into an agreement with the Issuer and the Security Trustee substantially on the terms of the Issuer Services Agreement, provided that such substitute mpt provider and/or defaulted loan servicer and/or issuer administrator shall have the benefit of a fee at a level to be then determined. Any such substitute mpt provider and/or defaulted loan servicer is obliged to (i) have experience of administering mortgage loans and mortgages of residential property in the Netherlands and (ii) hold a licence under the Wft. The Issuer shall, promptly following the execution of such agreement, pledge its interest in such agreement in favour of the Security Trustee on the terms of the Trustee Assets Pledge Agreement, *mutatis mutandis*, to the satisfaction of the Security Trustee.

The appointment of the MPT Provider and/or the Issuer Administrator and/or the Defaulted Loan Servicer under the Issuer Services Agreement may be terminated by the MPT Provider and/or the Defaulted Loan Servicer and/or the Issuer Administrator and/or the Issuer and/or the Security Trustee upon the expiry of not less than 12 months' notice of termination given by the MPT Provider and/or the Defaulted Loan 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 mpt provider and/or defaulted loan servicer and/or issuer administrator shall be appointed, such appointment to be effective not later than the date of termination of the Issuer Services Agreement and the MPT Provider and/or the Defaulted Loan Servicer and/or the Issuer Administrator shall not be released from its obligations under the Issuer Services Agreement until such substitute mpt provider and/or defaulted loan servicer and/or issuer administrator has entered into such new agreement.

SUB-PARTICIPATION AGREEMENTS

Savings Insurance Sub-Participation Agreement

Under the Savings Insurance Sub-Participation Agreement the Issuer will grant to the Savings Insurance Company and the Savings Insurance Company will acquire a sub-participation in each of the Savings Mortgage Receivables and, as the case may be, the Life Mortgage Receivables with a Savings Element.

In the Savings Insurance Sub-Participation Agreement the Savings Insurance Company will undertake to pay to the Issuer in respect of each Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element:

- (i) (a) at the Closing Date or (b) on the relevant Mortgage Payment Date in the case of a switch from any type of Mortgage Loan, other than a Savings Mortgage Loan or a Life Mortgage Loan with a Savings Element, into a Savings Mortgage Loan or a Life Mortgage Loan with a Savings Element, an amount equal to the sum of the Savings Premia received by the Savings Insurance Company with accrued interest up to the first day of the month of the Closing Date or the relevant Mortgage Payment Date, as the case may be (the '**Initial Savings Insurance Participation**') in relation to each of the Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element; and
- (ii) on each Mortgage Payment Date an amount equal to the amount received by the Savings Insurance Company as Savings Premia during the Mortgage Calculation Period then ended in respect of the relevant Savings Insurance Policies and Life Insurance Policies with the Savings Alternative,

provided that in respect of each relevant Savings Mortgage Receivable and relevant Life Mortgage Receivable with a Savings Element no amounts will be paid to the extent that, as a result thereof, the Savings Insurance Participation in such relevant Savings Mortgage Receivable and relevant Life Mortgage Receivable with a Savings Element would exceed the relevant Outstanding Principal Amount.

In consideration for such payments, the Savings Insurance Company will acquire a participation (the '**Savings Insurance Participation**') in each of the relevant Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element, which is equal to the Initial Savings Insurance Participation in respect of the relevant Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element increased during each Mortgage Calculation Period on the basis of the following formula (the '**Monthly Savings Insurance Participation Increase**')

Savings Insurance Participation Fraction $\times i + S$, whereby

$S =$ the amount received by the Issuer from the Savings Insurance Company in such Mortgage Calculation Period in respect of the relevant Savings Mortgage Receivable or the relevant Life Mortgage Receivable with a Savings Element pursuant to the Savings Insurance Sub-Participation Agreement;

$i =$ the amount of interest, due by the Borrower on the Savings Mortgage Receivable or the Life Mortgage Receivable with a Savings Element and actually received by the Issuer in such Mortgage Calculation Period;

In consideration for the undertaking of the Savings Insurance Company described above, the Issuer will undertake to pay to the Savings Insurance Company on each Mortgage Payment Date an amount equal to the Savings Insurance Participation in each of the Savings Mortgage Receivables and the Life Mortgage Receivables with a Savings Element in respect of which amounts have been received during the relevant Mortgage Calculation Period (i) by means of repayment and prepayment under the relevant Savings Mortgage Receivables and the Life Mortgage Receivables with a Savings Element from any person, whether by set-off or otherwise, but, for the avoidance of doubt, excluding any prepayment penalties and interest penalties, if any, and, furthermore, excluding amounts paid as partial prepayments on the Savings Mortgage Receivables and the Life Mortgage Receivables with a Savings Element, (ii) in connection with a repurchase of Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal, (iii) in connection with a sale of Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element pursuant to the Trust Deed to the extent such amounts relate to principal and (iv) all amounts received as Net Proceeds on any Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element to the extent such amounts relate to principal (the '**Savings Insurance Participation Redemption Available Amount**'), which amount will never

exceed the amount of the Savings Insurance Participation. The Savings Insurance Participation will be reduced with the relevant Participation Redemption Available Amount.

Bank Savings Sub-Participation Agreement

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

In the Bank Savings Sub-Participation Agreement the Bank Savings Participant will undertake to pay to the Issuer in respect of each Bank Savings Mortgage Receivable:

- (i) (a) at the Closing Date or (b) on the relevant Mortgage Payment Date in the case of a switch from any type of Mortgage Loan, other than a Bank Savings Mortgage Loan, into a Bank Savings Mortgage Loan, an amount equal to the sum of the Monthly Bank Savings Deposit Instalments received by the Bank Savings Participant with accrued interest up to the first day of the month of the Closing Date or the relevant Mortgage Payment Date, as the case may be (the '**Initial Bank Savings Participation**', and together with the Initial Savings Insurance Participation, the '**Initial Participation**') in relation to each of the Bank Savings Mortgage Receivables; and
- (ii) on each Mortgage Payment Date an amount equal to the amount received by the Bank Savings Participant as Monthly Bank Savings Deposit Instalment during the Mortgage Calculation Period then ended in respect of the relevant Bank Savings Mortgage Receivable,

provided that in respect of each relevant Bank Savings Mortgage Receivable no amounts will be paid to the extent that, as a result thereof, the Bank Savings Participation in such relevant Bank Savings Mortgage Receivable would exceed the relevant Outstanding Principal Amount.

In consideration for such payments, the Bank Savings Participant will acquire a participation (the '**Bank Savings Participation**', and together with the Savings Insurance Participation, the '**Participation**') in each of the relevant Bank Savings Mortgage Receivables, which is equal to the Initial Bank Savings Participation in respect of the relevant Bank Savings Mortgage Receivables increased during each Mortgage Calculation Period on the basis of the following formula (the '**Monthly Bank Savings Participation Increase**', and together with the Monthly Savings Insurance Participation Increase, the '**Monthly Participation Increase**')

Bank Savings Participation Fraction $\times i + S$, whereby

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

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

In consideration for the undertaking of the Bank Savings Participant described above, the Issuer will undertake to pay to the Bank Savings Participant on each Mortgage Payment Date an amount equal to the Bank Savings Participation in each of the Bank Savings Mortgage Receivables in respect of which amounts have been received during the relevant Mortgage Calculation Period (i) by means of repayment and prepayment under the relevant Bank Savings Mortgage Receivable from any person, whether by set-off or otherwise, but, for the avoidance of doubt, excluding any prepayment penalties and interest penalties, if any, and, furthermore, excluding amounts paid as partial prepayments on the Bank Savings Mortgage Receivables, (ii) in connection with a repurchase of Bank Savings Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal, (iii) in connection with a sale of Bank Savings Mortgage Receivables pursuant to the Trust Deed to the extent such amounts relate to principal and (iv) all amounts received as Net Proceeds on any Bank Savings Mortgage Receivables to the extent such amounts relate to principal (the '**Bank Savings Participation Redemption Available Amount**', and together with the Savings Insurance Company Redemption Available Amount, the '**Participation Redemption Available Amount**'), which amount will in respect of the relevant Bank Savings Mortgage Receivable never exceed the amount of the Bank Savings Participation in such Bank Savings Mortgage Receivable. The Bank Savings Participation will be reduced with the relevant Bank Savings Participation Redemption Available Amount.

Reduction of Participation

If (i) (a) in respect of a Savings Mortgage Receivable or a Life Mortgage Receivable with a Savings Element, a Borrower invokes a defence, including but not limited to a right of set-off or counterclaim against any person in respect of the relevant Savings Mortgage Receivables or the Life Mortgage Receivables with a Savings Element or if, for whatever reason, the Savings Insurance Company does not pay the insurance proceeds when due and payable, whether in full or in part, under the relevant Savings Insurance Policy or Life Insurance Policy with the Savings Alternative, or (b) in respect of a Bank Savings Mortgage Receivable, a Borrower invokes a defence, including but not limited to a right of set-off or counterclaim against any person in respect of the relevant Bank Savings Mortgage Receivables or if, for whatever reason, the Bank Savings Participant does not pay the amounts standing to the credit of the relevant Bank Savings Account when due and payable, whether in full or in part, under the relevant Bank Savings Mortgage Loan or (ii) the Seller fails to pay any amount due by it to the Issuer pursuant to the Mortgage Receivables Purchase Agreement in respect of a Savings Mortgage Receivable or a Life Mortgage Receivable with a Savings Element or, as the case may be, a Bank Savings Mortgage Receivable, and, as a consequence thereof, the Issuer will not have received any amount which was outstanding prior to such event in respect of such Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element or, as the case may be, such Bank Savings Mortgage Receivable, the Savings Insurance Participation of the Savings Insurance Company in respect of such Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element or, as the case may be, the Bank Savings Participation of the Bank Savings Participant in respect of such Bank Savings Mortgage Receivable, will be reduced by an amount equal to the amount which the Issuer has failed to receive as a result of such defence or default to pay.

Enforcement Notice

If an Enforcement Notice is given by the Security Trustee to the Issuer, then and at any time thereafter the Security Trustee on behalf of the Savings Insurance Company and/or, as the case may be, the Bank Savings Participant may, and if so directed by the Savings Insurance Company and/or, as the case may be, the Bank Savings Participant will, by notice to the Issuer:

- (i) declare that the obligations of the Savings Insurance Company and/or, as the case may be, the Bank Savings Participant under the relevant Sub-Participation Agreement are terminated; and
- (ii) declare the relevant Participation in respect of each and all Savings Mortgage Receivables and the Life Mortgage Receivables with a Savings Element and/or, as the case may be, all Bank Savings Mortgage Receivables, to be immediately due and payable, whereupon it shall become so due and payable, but such payment obligations shall be limited to the relevant Participation Redemption Available Amount received or collected by the Issuer or, in case of enforcement, the Security Trustee under the Savings Mortgage Receivables and the Life Mortgage Receivables with a Savings Element and/or, as the case may be, the Bank Savings Mortgage Receivables.

Termination

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

THE ISSUER

Arena 2009-I B.V., a private company with limited liability ("*besloten vennootschap met beperkte aansprakelijkheid*") was incorporated under the laws of the Netherlands on 18 November 2009 under number B.V. 1573942. The corporate seat ("*statutaire zetel*") of the Issuer is in Amsterdam, the Netherlands and its registered office is at Frederik Roeskestraat 123, 1076 EE Amsterdam and its telephone number is +31 20 5771 177. The Issuer is registered with the Commercial Register of the Chamber of Commerce of Amsterdam under number 34365801. The Issuer operates on a cross border basis when offering the Notes in certain countries.

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 Arena Holding 2009-I.

Stichting Arena Holding 2009-I is a foundation ("*stichting*") incorporated under the laws of the Netherlands on 12 November 2009. The objects of Stichting Arena Holding 2009-I are, *inter alia*, to incorporate, acquire and to hold shares in the share capital of the Issuer and to exercise all rights attached to such shares and to dispose of and encumber such shares. The sole managing director of Stichting Arena Holding 2009-I is ATC Management B.V. having its registered office at Fred. Roeskestraat 123, 1076 EE Amsterdam, the Netherlands.

The Issuer is a special purpose vehicle, which objectives are (a) to acquire, purchase, to manage, to alienate and to encumber assets and to exercise any rights connected to these assets, (b) to acquire funds to finance the acquisition of the assets mentioned under (a) by way of issuing bonds or by way of entering into loan agreements, (c) to invest, including to lend, any funds held by the Issuer, (d) to limit interest rate and other financial risks, amongst others by entering into derivatives agreements, such as swaps and options, (e) in connection with the foregoing, (i) to borrow funds against the issue of bonds or by entering into loan agreements, *inter alia* to repay the obligations under the securities mentioned under (b) and (ii) to grant security rights and (f) to perform all activities which are, in the widest sense of the word, incidental to or which may be conducive to the attainment of these objects.

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 nor (ii) prepared any financial statements. There have been no legal, arbitration or governmental proceedings during the last 12 months which may have, or have had, significant effects 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.

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

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

ATC Management B.V. belongs to the same group of companies as ATC Financial Services B.V., being the Issuer Administrator. The sole shareholder of ATC Management B.V. and ATC Financial Services B.V. is ATC Group B.V.

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

Each of the managing directors of Stichting Arena Holding 2009-I and the Issuer has entered into a management agreement with the entity of which it acts as managing director. In these management agreements each of the managing directors agrees and undertakes to, *inter alia*, (i) do all that an adequate managing director should do or should refrain from doing, and (ii) refrain from taking any action detrimental to the obligations under any of the Relevant Documents or the then current ratings assigned to the Mortgage-Backed Notes. In addition each of the managing 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 and provided that there will be no adverse effect on the ratings assigned to the Mortgage-Backed Notes.

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

The financial year of the Issuer coincides with the calendar year, except for the first financial year which started on 18 November 2009 and ends on 31 December 2010.

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 and the Initial Participations:

Share Capital

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

Borrowings

Senior Class A1 Notes	euro	189,000,000
Senior Class A2 Notes	euro	643,500,000
Mezzanine Class B Notes	euro	23,400,000
Mezzanine Class C Notes	euro	20,700,000
Mezzanine Class D Notes	euro	18,000,000
Junior Class E Notes	euro	5,400,000
Subordinated Class F Notes	euro	4,500,000
Initial Savings Insurance Participation	euro	4,454,492
Initial Bank Savings Participation	euro	1,594,272
Subordinated Loan	euro	2,750,000

Responsibility Statement

Only the Issuer is responsible for the information contained in this Prospectus, other than the information for which the Seller is responsible, as referred to in the following paragraph. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information (except for the information for which the Seller is responsible) contained in this Prospectus as referred to in the following paragraph, is in accordance with the facts and does not omit anything likely to affect the import of such information. The Issuer accepts responsibility accordingly.

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

USE OF PROCEEDS

On the Closing Date, the net proceeds of the issue of the Mortgage-Backed Notes will be applied to pay to the Seller (part of) the Initial Purchase Price for the Mortgage Receivables purchased under the Mortgage Receivables Purchase Agreement.

The net proceeds of the Subordinated Class F Notes will be credited to the Reserve Account.

An amount of euro 8,144,894 of the Initial Purchase Price will be withheld by the Issuer and deposited in the Construction Account. Furthermore, an amount of euro 4,454,492 will be received by the Issuer as consideration for the Initial Savings Insurance Participation granted to the Savings Insurance Company in the Savings Mortgage Receivables and the Life Mortgage Receivables with a Savings Element. In addition, an amount of euro 1,594,272 will be received by the Issuer as consideration for the Initial Bank Savings Participation granted to the Bank Savings Participant in the Bank Savings Mortgage Receivables. The Issuer will apply this amount towards payment of the remaining part of the Initial Purchase Price to be paid on the Closing Date.

The proceeds of the Subordinated Loan, in the amount of euro 2,750,000, will be used by the Issuer to pay certain initial costs and expenses in connection with the issue of the Notes.

DESCRIPTION OF SECURITY

In the Parallel Debt Agreement the Issuer will irrevocably and unconditionally undertake to pay to the Security Trustee (the '**Parallel Debt**') an amount equal to the aggregate amount due ("*verschuldigd*") by the Issuer (a) to the Noteholders under the Notes, (b) as fees or other remuneration to the Directors under the Management Agreements, (c) as fees and expenses to the MPT Provider, the Defaulted Loan Servicer and the Issuer Administrator under the Issuer Services Agreement, (d) as fees and expenses to the Paying Agent and the Reference Agent under the Paying Agency Agreement, (e) to the Liquidity Facility Provider under the Liquidity Facility Agreement, (f) to the Swap Counterparty under the Swap Agreement, (g) to the Seller under the Mortgage Receivables Purchase Agreement, (h) to the Subordinated Loan Provider under the Subordinated Loan Agreement, (i) to the Savings Insurance Company under the Savings Insurance Sub-Participation Agreement and (j) to the Bank Savings Participant under the Bank Savings Sub-Participation Agreement (the parties referred to under items (a) through (j) 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 claim ("*eigen en zelfstandige vordering*") to receive payment of the Parallel Debt from the Issuer. Upon receipt by the Security Trustee of any amount in payment of the Parallel Debt, the payment obligations of the Issuer to the Secured Parties shall be reduced by an amount equal to the amount so received and vice versa.

To the extent that the Security Trustee irrevocably and unconditionally receives any amount in payment of the Parallel Debt, the Security Trustee shall distribute such amount among the Secured Parties in accordance with the Priority of Payments upon Enforcement, save for amounts due to the Savings Insurance Company and the Bank Savings Participant in connection with the Participations. The amounts available to the Secured Parties, other than the Savings Insurance Company, will be the sum of (a) amounts recovered ("*verhaald*") by it (i) on the Mortgage Receivables, other than the Savings Mortgage Receivables and the Life Mortgage Receivables with a Savings Element and the Beneficiary Rights relating thereto, and (ii) on each of the Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element and Bank Savings Mortgage Receivables and the Beneficiary Rights relating thereto to the extent the amount exceeds the relevant Participation in the relevant Savings Mortgage Receivable and Life Mortgage Receivable with a Savings Element and Bank Savings Mortgage Receivable, and (iii) other assets pledged pursuant to the Pledge Agreements and (b) the *pro rata* part of amounts received from any of the Secured Parties, as received or recovered by any of them pursuant to the Parallel Debt Agreement (by reference to the proportion the sum of the relevant Participations bear to the aggregate Mortgage Receivables); less (y) any amounts already paid by the Security Trustee to the Secured Parties (other than the Savings Insurance Company) pursuant to the Parallel Debt Agreement and (z) the *pro rata* part of the costs and expenses of the Security Trustee (including, for the avoidance of doubt, any costs of, *inter alia*, the Rating Agencies and any legal advisor, auditor or accountant appointed by the Security Trustee) (by reference to the proportion the sum of the relevant Participations bear to the aggregate Mortgage Receivables).

The amounts available to the Savings Insurance Company consist of, *inter alia*, (i) amounts recovered by it on the Savings Mortgage Receivables and the Life Mortgage Receivables with a Savings Element and the Beneficiary Rights provided that such amounts relate to the relevant Participation in the Savings Mortgage Receivables and Life Mortgage Receivables with a Savings Element and (ii) the *pro rata* part of the amounts received from any of the Secured Parties, as received or recovered by any of them pursuant to the Parallel Debt Agreement (by reference to the proportion of the sum of the relevant Participations bear to the aggregate Mortgage Receivables); less (y) any amounts already paid to the Savings Insurance Company by the Security Trustee pursuant to the Parallel Debt Agreement and (z) the *pro rata* part of the costs and expenses of the Security Trustee (including, for the avoidance of doubt, any costs of, *inter alia*, the Rating Agencies and any legal advisor, auditor or accountant appointed by the Security Trustee) (by reference to the proportion of the sum of the relevant Participations bear to the Mortgage Receivables) provided that such amount can never exceed the amount of the relevant Participation.

The amounts available to the Bank Savings Participant consist of, *inter alia*, (i) amounts recovered by it on the Bank Savings Mortgage Receivables and the Beneficiary Rights provided that such amounts relate to the relevant Participation in the Bank Savings Mortgage Receivables and (ii) the *pro rata* part of the amounts received from any of the Secured Parties, as received or recovered by any of them pursuant to the Parallel Debt Agreement (by reference to the proportion the sum of the relevant Participations bear to the aggregate Mortgage Receivables); less (y) any amounts already paid to the Bank Savings Participant by the Security Trustee pursuant to the Parallel Debt Agreement and (z) the *pro rata* part of the costs and expenses of the Security Trustee (including, for the avoidance of doubt, any costs of, *inter alia*, the Rating Agencies and any legal advisor, auditor

or accountant appointed by the Security Trustee) (by reference to the proportion of the sum of the relevant Participations bear to the Mortgage Receivables) provided that such amount can never exceed the amount of the relevant Participation.

On the Closing Date the Issuer will vest a right of pledge (the '**Trustee Receivables Pledge Agreement**') in favour of the Security Trustee on the Mortgage Receivables and the Beneficiary Rights relating thereto. The right of pledge on the Mortgage Receivables will not be notified to the Borrowers, except in case certain notification events occur, which include similar events as the Notification Events, but relating to the Issuer, which includes the delivery of an Enforcement Notice (the '**Trustee Notification Events**'). Prior to notification of the right of pledge to the Borrowers, the pledge will be a 'silent' right of pledge ("*stil pandrecht*") within the meaning of section 3:239 of the Dutch Civil Code. The right of pledge on the Beneficiary Rights will also be an undisclosed right of pledge ("*stil pandrecht*").

In addition, on the Closing Date a right of pledge (the '**Trustee Assets Pledge Agreement**' and together with the Trustee Receivables Pledge Agreement, the '**Pledge Agreements**') will be vested by the Issuer in favour of the Security Trustee on all rights of the Issuer under or in connection with (i) the Mortgage Receivables Purchase Agreement, (ii) the Issuer Services Agreement, (iii) the Floating Rate GIC, (iv) the Liquidity Facility Agreement, (v) the Swap Agreement, (vi) the Sub-Participation Agreements and (vii) in respect of the Transaction Accounts. This right of pledge will be notified to the relevant obligors and will, therefore, be a disclosed right of pledge ("*openbaar pandrecht*"). However, the Security Trustee will grant a power to collect ("*bevoegdheid tot inning*") 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 the Insurance Companies and withdrawal of the power to collect, the Security Trustee will collect ("*innen*") all amounts due to the Issuer whether by Borrowers, the Insurance Companies or parties to the Relevant Documents. Pursuant to the Trust Deed the Security Trustee will, until the delivery of an Enforcement Notice, for the sole purpose of enabling the Issuer to make payments in accordance with the relevant Priority of Payments prior to Enforcement, 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 rights of pledge described above shall serve as security for the benefit of the Secured Parties, including each of the Senior Class A Noteholders, the Mezzanine Class B Noteholders, the Mezzanine Class C Noteholders, the Mezzanine Class D Noteholders, the Junior 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 the Senior Class A Noteholders, amounts owing to the 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 Mezzanine 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 and amounts owing to the Junior 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 Mezzanine 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 Mezzanine Class D Noteholders and the Junior Class E Noteholders (see the section *Credit Structure* above). The Senior Class A Notes comprise of the Senior Class A1 Notes and the Senior Class A2 Notes and the Senior Class A1 Notes and the Senior Class A2 Notes rank *pari passu* and *pro rata* without any preference or priority among all Notes of such Class in respect of the Security and payments of interest. Provided that no Enforcement Notice has been given, payments of principal on the Senior Class A Notes are applied firstly to the Senior Class A1 Notes and then to the Senior Class A2 Notes. To the extent that the Notes Redemption Available Amount is insufficient to redeem the Senior Class A1 Notes and/or the Senior Class A2 Notes in full when due in accordance with the Conditions for a period of fifteen days or more, this will constitute an Event of Default in accordance with Condition 10(a). The Senior Class A2 Notes do not therefore purport to provide credit enhancement to the Senior Class A1 Notes. If, on any date, the Security is to be enforced and the proceeds of the enforcement would be insufficient to fully redeem the Senior Class A Notes in full, such loss will be borne, *pro rata* and *pari passu*, by the holders of the Senior Class A Notes. If the Senior Class A1 Notes have been redeemed (in part or in full) at such time, this will result in the Senior Class A2 Notes bearing a greater loss than that borne by the Senior Class A1 Notes.

THE SECURITY TRUSTEE

Stichting Security Trustee Arena 2009-I (the '**Security Trustee**') is a foundation ("*stichting*") incorporated under the laws of the Netherlands on 12 November 2009. The statutory seat of the Security Trustee is in Amsterdam and its registered office is at Claude Debussylaan 24, 1082 MD Amsterdam, the Netherlands.

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

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

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

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

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

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

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

The Security Trustee may agree, without the consent of the Noteholders and the other Secured Parties, to (i) any modification of any of the provisions of the Relevant Documents which is of a formal, minor or technical nature

or is made to correct a manifest error, and (ii) any other modification (except if prohibited in the Relevant Documents), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Relevant Documents which is in the opinion of the Security Trustee not materially prejudicial to the interests of the Noteholders, provided that the Security Trustee (i) has notified the Rating Agencies and (ii) in its reasonable opinion, does not expect that the then current ratings assigned to the Mortgage-Backed Notes, will be adversely affected by any such modification, authorisation or waiver (see the section *Terms and Conditions of the Notes* below).

TERMS AND CONDITIONS OF THE NOTES

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

The issue of the euro 189,000,000 floating rate Senior Class A1 Mortgage-Backed Notes 2009 due 2041 (the '**Senior Class A1 Notes**'), the euro 643,500,000 floating rate Senior Class A2 Mortgage-Backed Notes 2009 due 2041 (the '**Senior Class A2 Notes**'), and together with the Senior Class A1 Notes, the '**Senior Class A Notes**'), the euro 23,400,000 floating rate Mezzanine Class B Mortgage-Backed Notes 2009 due 2041 (the '**Mezzanine Class B Notes**'), the euro 20,700,000 floating rate Mezzanine Class C Mortgage-Backed Notes 2009 due 2041 (the '**Mezzanine Class C Notes**'), the euro 18,000,000 floating rate Mezzanine Class D Mortgage-Backed Notes 2009 due 2041 (the '**Mezzanine Class D Notes**'), the euro 5,400,000 floating rate Junior Class E Mortgage-Backed Notes 2009 due 2041 (the '**Junior Class E Notes**'), and together with the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes and the Mezzanine Class D Notes, the '**Mortgage-Backed Notes**') and the euro 4,500,000 floating rate Subordinated Class F Notes 2009 due 2041 (the '**Subordinated Class F Notes**'), and together with the Mortgage-Backed Notes, the '**Notes**') was authorised by a resolution of the managing director of Arena 2009-I B.V. (the '**Issuer**') passed on 8 December 2009. The Notes are issued under a trust deed dated 14 December 2009 (the '**Trust Deed**') between the Issuer, Stichting Arena Holding 2009-I and Stichting Security Trustee Arena 2009-I (the '**Security Trustee**').

The statements in these terms and conditions of the Notes (the '**Conditions**') include summaries of, and are subject to, the detailed provisions of (i) the Trust Deed, which will include 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 14 December 2009 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 issuer services agreement (the '**Issuer Services Agreement**') dated 14 December 2009 between the Issuer, Delta Lloyd Bank N.V. as the MPT Provider and the Defaulted Loan Servicer, ATC Financial Services B.V., as the Issuer Administrator, and the Security Trustee, (iv) a parallel debt agreement (the '**Parallel Debt Agreement**') dated 14 December 2009 between the Issuer, the Security Trustee and the Secured Parties, (v) a pledge agreement (the '**Trustee Assets Pledge Agreement**' dated 14 December 2009 between, *inter alia*, the Issuer and the Security Trustee, (vi) a pledge agreement dated between the Issuer, the Security Trustee and others (the '**Trustee Receivables Pledge Agreement**', and together with the Trustee Receivables Pledge Agreement, the '**Pledge Agreements**').

Unless otherwise defined herein, words and expressions used in these Conditions are defined in a master definitions agreement (the '**Master Definitions Agreement**') dated 10 December 2009 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 definitions in the Master Definitions Agreement would conflict with definitions used herein, the definitions of these Conditions shall prevail. As used herein, '**Class**' means either the Senior Class A Notes (being the Senior Class A1 Notes and the Senior Class A2 Notes jointly) the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes, the Junior Class E Notes or the Subordinated Class F Notes, as the case may be. The Senior Class A Notes comprise of the Senior Class A1 Notes and the Senior Class A2 Notes and the Senior Class A1 Notes and the Senior Class A2 Notes rank *pari passu* and *pro rata* without any preference or priority among all Notes of such Class in respect of the Security and payments of interest. Provided that no Enforcement Notice has been given, payments of principal on the Senior Class A Notes are applied firstly to the Senior Class A1 Notes and then to the Senior Class A2 Notes. To the extent that the Notes Redemption Available Amount is insufficient to redeem the Senior Class A1 Notes and/or the Senior Class A2 Notes in full when due in accordance with the Conditions for a period of fifteen days or more, this will constitute an Event of Default in accordance with Condition 10(a). The Senior Class A2 Notes do not therefore purport to provide credit enhancement to the Senior Class A1 Notes. If, on any date, the Security is to be enforced and the proceeds of the enforcement would be insufficient to fully redeem the Senior Class A Notes in full, such loss will be borne, *pro rata* and *pari passu*, by the holders of the Senior Class A Notes. If the Senior Class A1 Notes have been redeemed (in part or in full) at such time, this will result in the Senior Class A2 Notes bearing a greater loss than that borne by the Senior Class A1 Notes.

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

1. Form, Denomination and Title

Each of the Notes will be in bearer form serially numbered with Coupons attached on issue in denominations of euro 50,000 each. Under Dutch 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.

2. Status, Relationship between the Classes of Notes and Security

- (a) The Notes of each Class are direct and unconditional obligations of the Issuer and rank at all times *pari passu* and rateably without any preference or priority among Notes of the same Class. The Senior Class A Notes comprise of the Senior Class A1 Notes and the Senior Class A2 Notes and the Senior Class A1 Notes and the Senior Class A2 Notes rank *pari passu* and *pro rata* without any preference or priority among all Notes of such Class in respect of the Security and payments of interest. Provided that no Enforcement Notice has been given, payments of principal on the Senior Class A Notes are applied firstly to the Senior Class A1 Notes and then to the Senior Class A2 Notes. To the extent that the Notes Redemption Available Amount is insufficient to redeem the Senior Class A1 Notes and/or the Senior Class A2 Notes in full when due in accordance with the Conditions for a period of fifteen days or more, this will constitute an Event of Default in accordance with Condition 10(a). The Senior Class A2 Notes do not therefore purport to provide credit enhancement to the Senior Class A1 Notes. If, on any date, the Security is to be enforced and the proceeds of the enforcement would be insufficient to fully redeem the Senior Class A Notes in full, such loss will be borne, *pro rata* and *pari passu*, by the holders of the Senior Class A Notes. If the Senior Class A1 Notes have been redeemed (in part or in full) at such time, this will result in the Senior Class A2 Notes bearing a greater loss than that borne by the Senior Class A1 Notes.
- (b) In accordance with and subject to the provisions of Conditions 4, 6 and 9 and the Trust Deed (i) payments of principal and interest on the Mezzanine Class B Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, (ii) payments of principal and interest on the Mezzanine Class C Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes and the Mezzanine Class B Notes, (iii) payments of principal and interest on the Mezzanine Class D Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, the Mezzanine Class B Notes and the Mezzanine Class C Notes, (iv) payments of principal and interest on the Junior Class E Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes and the Mezzanine Class D Notes and (v) payments of principal and interest on the Subordinated Class F Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes and the Junior Class E Notes. The Subordinated Class F Noteholders do not have the right to receive any amount pursuant to the Principal Priority of Payments.
- (c) The security for the obligations of the Issuer towards the Noteholders (the '**Security**') will be created pursuant to, and on the terms set out in, the Trust Deed, the Parallel Debt Agreement and the Pledge Agreements, which will create the following security rights:
 - (i) a first ranking "undisclosed" pledge by the Issuer to the Security Trustee on the Mortgage Receivables and the Beneficiary Rights;
 - (ii) a first ranking "disclosed" pledge by the Issuer to the Security Trustee on the Issuer's rights (a) against the Seller under or in connection with the Mortgage Receivables Purchase Agreement; (b) against the MPT Provider, the Defaulted Loan Servicer and the Issuer Administrator under

or in connection with the Issuer Services Agreement; (c) against the Swap Counterparty under or in connection with the Swap Agreement; (d) against the Liquidity Facility Provider under or in connection with the Liquidity Facility Agreement; (e) against the Floating Rate GIC Provider under or in connection with the Floating Rate GIC; (f) against the Savings Insurance Company under or in connection with the Savings Insurance Sub-Participation Agreement, (g) against the Bank Savings Participant under or in connection with the Bank Savings Sub-Participation Agreement and (h) against the Floating Rate GIC Provider in respect of the Transaction Accounts;

- (d) The Notes will be secured (indirectly) by the Security. The Senior Class A Notes (being the Senior Class A1 Notes and the Senior Class A2 Notes jointly) will rank in priority to the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes, the Junior 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 Mezzanine Class D Notes, the Junior Class E Notes and the Subordinated Class F Notes; the Mezzanine Class C Notes will rank in priority to the Mezzanine Class D Notes, the Junior Class E Notes and the Subordinated Class F Notes, the Mezzanine Class D Notes will rank in priority to the Junior Class E Notes and the Subordinated Class F Notes and the Junior Class E Notes 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 Mezzanine Class D Notes, or if there are no Mezzanine Class D Notes outstanding, the Junior Class E Notes, or if there are no Junior 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 Mezzanine Class D Notes (the **'Mezzanine Class D Noteholders'**), the holders of the Junior Class E Notes (the **'Junior 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 interest 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 Dutch business practice and in accordance with the requirements of Dutch law and accounting practice and shall not, except (i) to the extent permitted by the Mortgage Receivables Purchase Agreement, the Issuer Services Agreement, the Pledge Agreements, the Parallel Debt Agreement, the Swap Agreement, the Floating Rate GIC, the Liquidity Facility Agreement, the Sub-Participation Agreements, the Notes Purchase Agreement, the Notes, the Paying Agency Agreement, the Beneficiary Waiver Agreement, the Management Agreements, the Subordinated Loan Agreement, 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 10 December 2009 relating to the issue of the Notes and as contemplated in the Relevant Documents;
- (b) incur any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness, except as contemplated in the Relevant Documents;
- (c) create or promise to create any mortgage, charge, pledge, lien or other security interest whatsoever over any of its assets, or use, invest, sell, transfer or otherwise dispose of or grant any options or rights to any part of its assets, except as contemplated in the Relevant Documents;
- (d) consolidate or merge with any other person or convey or transfer its properties or assets substantially or as an entirety to one or more persons;

- (e) permit the validity or effectiveness of the Trust Deed, the Parallel Debt Agreement, the Pledge Agreements or the priority of the security created thereby or pursuant thereto to be amended, terminated, waived, postponed or discharged, or permit any person whose obligations form part of such security rights to be released from such obligations except as contemplated in the Relevant Documents;
- (f) have any employees or premises or have any subsidiary or subsidiary undertaking;
- (g) have an interest in any bank account other than (i) the Transaction Accounts and the Liquidity Facility Account or (ii) an account in 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) take any corporate action for its entering into a suspension of payments or bankruptcy or its dissolution and liquidation or for its conversion into a legal foreign entity.

4. Interest

Any payments to be made pursuant to this Condition 4 are subject to Condition 9(a).

(a) *Period of accrual*

Each Note shall bear interest on its Principal Amount Outstanding (as defined in Condition 6(g)) 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 days elapsed in such period and a 360 day year.

(b) *Interest Periods and Payment Dates*

Interest on the Notes is payable by reference to successive interest periods (each a '**Floating Rate Interest Period**') and will be payable monthly in arrear in euro in respect of the Principal Amount Outstanding on the 17th day of each calendar month (or, if such day is not a Business Day, the next succeeding Business Day, unless such day falls in the next succeeding calendar month in which case the Business Day immediately preceding such 17th day) (each such day being a '**Monthly Payment Date**'). A '**Business Day**' means a day on which banks are open for business in Amsterdam and London, provided that such day is also a day on which the Trans-European Automated Real-Time Gross-Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007 ('**TARGET 2**') or any successor thereto is operating credit or transfer instructions in respect of payments in euro. Each successive Floating Rate Interest Period will commence on (and include) a Monthly Payment Date and end on (but exclude) the next succeeding Monthly Payment Date, except for the first Floating Rate Interest Period, which will commence on (and include) the Closing Date and will end on (but exclude) the Monthly Payment Date falling in January 2010.

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

Interest on the Notes for each Floating Rate Interest Period will accrue at a rate equal to the sum of the Euro Interbank Offered Rate ('**Euribor**') for one month deposits in euros (or, in respect of the first Floating Rate Interest Period, the rate which represents the linear interpolation of Euribor for 1 month and 2 month 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 A1 Notes a margin of 1.10 per cent. per annum;
- (ii) for the Senior Class A2 Notes a margin of 1.40 per cent. per annum;
- (iii) for the Mezzanine Class B Notes a margin of 2.40 per cent. per annum;

- (iv) for the Mezzanine Class C Notes a margin of 3.40 per cent. per annum;
- (v) for the Mezzanine Class D Notes a margin of 4.40 per cent. per annum;
- (vi) for the Junior Class E Notes a margin of 4.90 per cent. per annum; and
- (vii) for the Subordinated Class F Notes a margin of 5.40 per cent. per annum.

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

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

- (i) for the Senior Class A1 Notes, a margin of 2.20 per cent. per annum;
- (ii) for the Senior Class A2 Notes, a margin of 2.80 per cent. per annum;
- (iii) for the Mezzanine Class B Notes, a margin of 3.40 per cent. per annum;
- (iv) for the Mezzanine Class C Notes, a margin of 4.40 per cent. per annum;
- (v) for the Mezzanine Class D Notes, a margin of 5.40 per cent. per annum; and
- (vi) for the Junior Class E Notes, a margin of 5.90 per cent. per annum.

The margin applicable to the Subordinated Class F Notes will not be reset.

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 Floating Rate Interest Period the rate equal to the amount of Euribor for one month deposits in euros. The Reference Agent shall use the Euribor rate as determined and published jointly by the European Banking Federation and ACI - The Financial Market Association and which appears for information purposes on the Reuters Screen EURIBOR 01 (or, if not available, any other display page on any screen service maintained by any registered information vendor for the display of the Euribor rate selected by the Reference Agent) as at or about 11.00 a.m. (Central European time ('CET')) on the day that is two Business Days prior to the first day of each Floating Rate Interest Period (each an '**Interest Determination Date**');
 - (ii) If, on the relevant Interest Determination Date, such Euribor rate is not determined and published jointly by the European Banking Association and ACI - The Financial Market Association, or if it is not otherwise reasonably practicable to calculate the rate under (i) above, the Reference Agent will:
 - (A) request the principal euro-zone office of each of four major banks in the euro-zone interbank market (the '**Reference Banks**') to provide a quotation for the rate at which one month euro deposits are offered by it in the euro-zone interbank market at approximately 11.00 a.m. (CET) 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. (CET) on the relevant Interest Determination Date for one month deposits to leading euro-zone banks in an amount that is representative for a single transaction in that market at that time,

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

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

The Reference Agent will, as soon as practicable after 11.00 a.m. (CET) 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 Floating Rate 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 Floating Rate 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 Monthly 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, as long as the Notes are admitted to listing, trading and/or quotation on Euronext Amsterdam or by any other competent authority, stock exchange and/or quotation system, notice shall also be published in such other place as may be required by the rules and regulations of such competent authority, stock exchange and/or quotation system, as soon as possible after the determination. The Interest Amount, the Rate of Interest and the Monthly Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Floating Rate Interest Period.

(h) Determination or Calculation by Security Trustee

If the Reference Agent at any time for any reason does not determine the relevant 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 Agent

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

5. Payment

- (a) Payment of principal and interest in respect of Notes will be made upon presentation of the Note and against surrender of the relevant Coupon appertaining thereto, at any specified office of the Paying Agent 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 must be presented for payment together with all matured Coupons appertaining thereto.
- (c) If the relevant Monthly 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 such Business Day. 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 and for as long as the Notes are listed on Euronext Amsterdam the Issuer will at all times maintain a paying agent having a specified office in the European Union, which as long as the Notes are listed on Euronext Amsterdam, shall be 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

Any payments to be made in accordance with this Condition 6 are subject to Condition 9(b).

(a) Final redemption

Unless previously redeemed as provided below, on the Monthly Payment Date falling in November 2041 (the **Final Maturity Date**) the Issuer will redeem the Notes at their Principal Amount Outstanding.

(b) Mandatory Redemption of the Mortgage-Backed Notes

Provided that no Enforcement Notice has been served in accordance with Condition 10, on each Monthly Payment Date, the Issuer shall be obliged to apply the Notes Redemption Available Amount (as defined below) to redeem (or partially redeem) the Mortgage-Backed Notes at their Principal Amount Outstanding on a *pro rata* basis in the following order:

- (i) sequentially, *firstly*, the Senior Class A1 Notes until fully redeemed and, *secondly*, the Senior Class A2 Notes until fully redeemed, and thereafter
- (iii) *secondly*, the Mezzanine Class B Notes until fully redeemed, and thereafter
- (iv) *thirdly*, the Mezzanine Class C Notes until fully redeemed, and thereafter
- (v) *fourthly*, the Mezzanine Class D Notes until fully redeemed and thereafter
- (vi) *finally*, the Junior Class E Notes until fully redeemed.

Following application of the Principal Redemption Amount, the Principal Amount Outstanding of such Note shall be reduced accordingly.

(c) Redemption of Subordinated Class F Notes

Provided that no Enforcement Notice has been served in accordance with Condition 10, on each Monthly Payment Date, the Issuer shall be obliged to apply the Class F Redemption Available Amount (as defined below) to redeem (or partially redeem) the Subordinated Class F Notes at their Principal Amount Outstanding on a *pro rata* basis until fully redeemed.

Following application of the Principal Redemption Amount, the Principal Amount Outstanding of such Note shall be reduced accordingly.

(d) Determination of Principal Redemption Amount, Notes Redemption Available Amount, Class F Redemption Available Amount and the Principal Amount Outstanding

- (i) On each Monthly Calculation Date, the Issuer shall determine (or cause the Issuer Administrator to determine) (a) the Principal Redemption Amount of each Note, (b) the Notes Redemption Available Amount, (c) the Class F Redemption Available Amount and (d) the Principal Amount Outstanding of the relevant Note on the first day of the next following Floating Rate Interest Period. Each determination by or on behalf of the Issuer of any Principal Redemption Amount or the Principal Amount Outstanding of a Note shall in each case (in the absence of manifest error) be final and binding on all persons;
- (ii) The Issuer will cause each determination of (a) the Principal Redemption Amount, (b) the Notes Redemption Available Amount, (c) the Class F Redemption Available Amount and (d) the Principal Amount Outstanding of the Notes to be notified forthwith to the Security Trustee, the Paying Agent, the

Reference Agent, Euroclear, Clearstream, Luxembourg, Euronext Amsterdam and to the holders of Notes and as long as the Notes are admitted to listing, trading and/or quotation on Euronext Amsterdam or by any other competent authority, stock exchange and/or quotation system, such notice is to be published in such place as may be required by the rules and regulations of Euronext Amsterdam or such competent authority, stock exchange and/or quotation system. Any such notice shall be deemed to have been given on the first date of such publication, but in any event no later than two business days prior to the relevant Monthly Payment Date. If the Principal Redemption Amount in respect of any Note on any applicable Monthly Payment Date is zero, 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) (a) the Principal Redemption Amount, (b) the Notes Redemption Available Amount, (c) the Class F Redemption Available Amount and (d) the Principal Amount Outstanding of the relevant Note, such (a) Principal Redemption Amount, (b) Notes Redemption Available Amount, (c) Class F Redemption Available Amount and (d) Principal Amount Outstanding of the relevant Note shall be determined by the Security Trustee in accordance with this paragraph (d) and paragraph (b) and (c) above (but based upon the information in its possession as to the Notes Redemption Available Amount and the Notes Interest Available Amount) and shall in each case (in the absence of a manifest error) be final and binding on all persons and each such determination or calculation shall be deemed to have been made by the Issuer.
- (iv) Following application of the Principal Redemption Amount, the Principal Amount Outstanding of such Note shall be reduced accordingly.

(e) *Optional Redemption*

Unless previously redeemed in full, on the Monthly Payment Date falling in November 2014 and on each Monthly Payment Date thereafter (each an '**Optional Redemption Date**') the Issuer may, at its option, redeem all (but not some only) of the Mortgage-Backed Notes at their Principal Amount Outstanding on such date in accordance with this Condition 6(e). 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. In the event that on such Optional Redemption Date there is a Principal Shortfall (as defined in Condition 9) in respect of the Junior Class E Notes or the Mezzanine Class D Notes or the Mezzanine Class C Notes or the Mezzanine Class B Notes, the Issuer may, at its option, subject to Condition 9(b), partially redeem all (but not some only) Junior Class E Notes or Mezzanine Class D Notes or Mezzanine Class C Notes or Mezzanine Class B Notes respectively at their Principal Amount Outstanding less the relevant Principal Shortfall.

The Subordinated Class F Notes will be subject to redemption in accordance with and subject to Condition 6(c).

(f) *Redemption for tax reasons*

The Mortgage-Backed Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Monthly Payment Date, at their Principal Amount Outstanding, 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 change 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 holding by a court of competent jurisdiction), which becomes effective on or after the Closing Date and such obligation cannot be avoided by the Issuer taking reasonable measures available to it; and
- (b) the Issuer will have sufficient funds available on the Monthly Calculation Date immediately preceding such Monthly Payment Date to discharge all amounts of principal and interest due in respect of each Class of the Mortgage-Backed Notes in accordance with the Trust Deed and any amounts required to be paid in priority to or *pari passu* with each Class of Mortgage-Backed Notes. No Class of Mortgage-

Backed Notes may be redeemed under such circumstances unless all Classes of Mortgage-Backed 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 Monthly Payment Date.

The Subordinated Class F Notes will be subject to redemption in accordance with and subject to Condition 6(c).

(g) *Definitions*

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

- (i) The term '**Class F Redemption Available Amount**' shall mean on the relevant Monthly Payment Date, the amount of the Notes Interest Available Amount less the payments of items (a) up to and including (q) of the Interest Priority of Payments on such Monthly Payment Date.
- (ii) The term '**Monthly Calculation Date**' means, in relation to a Monthly Payment Date, the fourth Business Day prior to such Monthly Payment Date;
- (iii) The term '**Monthly Calculation Period**' means a period of one calendar month commencing on (and including) the first day of each of calendar month, except for the first Monthly Calculation Period which will commence on the Cut-off Date and end on and include the last day of December 2009;
- (iv) The term '**Net Proceeds**' shall mean (a) the proceeds of a foreclosure on the mortgage right and rights of pledge, (b) the proceeds of foreclosure on any other collateral securing the Mortgage Receivable, (c) the proceeds, if any, of collection of any insurance policies in connection with the Mortgage Receivable, including but not limited to any Insurance Policy and fire insurance, (d) the proceeds of payments under the NHG Guarantee and any other any guarantees or sureties, and (e) the proceeds of foreclosure on any other assets of the relevant debtor, after deduction of foreclosure costs;
- (v) The term '**Notes Redemption Available Amount**' shall mean on any Monthly Payment Date the aggregate amount received or held by the Issuer during the immediately preceding Monthly Calculation Period:
 - (a) by means of repayment and prepayment in full of principal under the Mortgage Receivables from any person, but, for the avoidance of doubt, excluding prepayment penalties, if any, less, with respect to each Savings Mortgage Receivable, Life Mortgage Receivable with a Savings Element and Bank Savings Mortgage Receivable, the relevant Participation in such Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element or Bank Savings Mortgage Receivable;
 - (b) as Net Proceeds on any Mortgage Receivable to the extent such proceeds relate to principal but up to the aggregate Outstanding Principal Amount of such Mortgage Receivables less, with respect to each Savings Mortgage Receivable, Life Mortgage Receivable with a Savings Element and Bank Savings Mortgage Receivable, the relevant Participation in such Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element or Bank Savings Mortgage Receivable;
 - (c) in connection with a repurchase of Mortgage Receivables, whether or not as a result of the exercise of the Regulatory Call Option or the Clean-up Call Option, pursuant to the Mortgage Receivables Purchase Agreement and any other amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal less, with respect to each Savings Mortgage Receivable, Life Mortgage Receivable with a Savings Element and Bank Savings Mortgage Receivable, the relevant Participation in such Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element or Bank Savings Mortgage Receivable;
 - (d) in connection with a sale of Mortgage Receivables pursuant to the Trust Deed to the extent such amounts relate to principal but up to the aggregate Outstanding Principal Amount of such Mortgage Receivables less, with respect to each Savings Mortgage Receivable, Life Mortgage Receivable with a Savings Element and Bank Savings Mortgage Receivable, the relevant Participation in such Savings Mortgage Receivable or Life Mortgage Receivable with a Savings Element or Bank Savings Mortgage Receivable;

- (e) as amounts to be credited to the Principal Deficiency Ledger on the immediately succeeding Monthly Payment Date in accordance with the Interest Priority of Payments;
 - (f) as Monthly Participation Increase pursuant to the relevant Sub-Participation Agreement and as consideration for the relevant Initial Participation in case any type of Mortgage Loan switches into a Savings Mortgage Loan or a Life Mortgage Loan with a Savings Element or, as the case may be, Bank Savings Mortgage Receivable;
 - (g) as partial prepayment in respect of Mortgage Receivables;
 - (h) any part of the Notes Redemption Available Amount calculated on the immediately preceding Monthly Calculation Date which has not been applied towards redemption of the Mortgage-Backed Notes on the preceding Monthly Payment Date;
 - (i) as amounts equal to the excess (if any) of (a) the sum of the aggregate proceeds of the issue of the Mortgage-Backed Notes and the Initial Participations in respect of the Savings Mortgage Loans and Life Mortgage Loans with a Savings Element and the Bank Savings Mortgage Loans purchased on the Closing Date over (b) the Initial Purchase Price of the Mortgage Receivables purchased on the Closing Date; and
 - (j) any amounts received on the Issuer Collection Account from the credit balance of the Construction Account in accordance with the Mortgage Receivables Purchase Agreement.
- (vi) The term **'Principal Amount Outstanding'** on any Monthly Payment Date of any Note shall be the principal amount of that Note upon issue less the aggregate amount of all Principal Redemption Amounts in respect of that Note that have become due and payable prior to such Monthly Payment Date provided that for the purpose of Conditions 4, 6 and 10 all Principal Redemption Amounts that have become due and not been paid, notwithstanding duly presentation of the relevant Note, shall not be so deducted;
- (vii) The term **'Principal Redemption Amount'** shall mean on the relevant Monthly Payment Date (i) the amount (if any) (rounded down to the nearest euro) of the Notes Redemption Available Amount (as applicable to each Class of Mortgage-Backed Notes, divided by the number of Notes of such Class, subject to such redemption and (ii) in respect of the Subordinated Class F Notes, the Class F Redemption Available Amount on that Monthly Payment Date, divided by the number of Subordinated Class F Notes, provided always that the Principal Redemption Amount may never exceed the Principal Amount Outstanding of the relevant Note;

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 and limited recourse

(a) Interest

Interest on the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Mezzanine Class D Notes, the Junior 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 Monthly 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 Monthly Payment Date, the amount available (if any) shall be applied *pro rata* to the amount of the interest due on such Monthly

Payment Date to the holders of the Mezzanine Class B Notes. In the event of a shortfall, the Issuer shall credit the Mezzanine Class B Interest Deficiency Ledger with an amount equal to the amount by which the aggregate amount of interest paid on the Mezzanine Class B Notes on any Monthly 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 Monthly Payment Date.

In the event that on any Monthly 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 Monthly Payment Date, the amount available (if any) shall be applied *pro rata* to the amount of the interest due on such Monthly Payment Date to the holders of the Mezzanine Class C Notes. In the event of a shortfall, the Issuer shall credit the Mezzanine 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 Monthly 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 Monthly Payment Date.

In the event that on any Monthly 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 D Notes on such Monthly Payment Date, the amount available (if any) shall be applied *pro rata* to the amount of the interest due on such Monthly Payment Date to the holders of the Mezzanine Class D Notes. In the event of a shortfall, the Issuer shall credit the Mezzanine Class D Interest Deficiency Ledger with an amount equal to the amount by which the aggregate amount of interest paid on the Mezzanine Class D Notes on any Monthly Payment Date in accordance with this Condition falls short of the aggregate amount of interest payable on the Mezzanine 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 Mezzanine 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 Mezzanine Class D Note on the next succeeding Monthly Payment Date.

In the event that on any Monthly 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 E Notes on such Monthly Payment Date, the amount available (if any) shall be applied *pro rata* to the amount of the interest due on such Monthly Payment Date to the holders of the Junior Class E Notes. In the event of a shortfall, the Issuer shall credit the Junior Class E Interest Deficiency Ledger with an amount equal to the amount by which the aggregate amount of interest paid on the Junior Class E Notes on any Monthly Payment Date in accordance with this Condition falls short of the aggregate amount of interest payable on the Junior Class E Notes on that date for the purposes of 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 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 Junior Class E Note on the next succeeding Monthly Payment Date.

In the event that on any Monthly 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 Monthly Payment Date, the amount available (if any) shall be applied *pro rata* to the amount of the interest due on such Monthly Payment Date to the holders of the Subordinated Class F Notes. In the event of a shortfall, the Issuer shall credit the Subordinated 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 Monthly 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, such shortfall shall not be treated as due on that date for the purposes of Condition 4, but shall accrue interest as long as it remains outstanding at the rate of interest applicable to the Subordinated Class 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 Monthly Payment Date.

(b) Principal

Any payments to be made in accordance with Condition 6 are subject to this Condition 9(b).

Until the date on which the Principal Amount Outstanding of the Senior Class A Notes is reduced to zero, the Mezzanine Class B Noteholders will not be entitled to any repayment of principal in respect of the Mezzanine Class B Notes. If, on any Monthly 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 Monthly Payment Date shall not exceed its Principal Amount Outstanding less the relevant Principal Shortfall on such Monthly Payment Date. The Mezzanine Class B Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Mezzanine Class B Notes the date on which the Issuer no longer holds any Mortgage Receivables and there is no balance standing to the credit of the Transaction Accounts and the Issuer has no further rights under or in connection with any of the Relevant Documents.

Until the date on which the Principal Amount Outstanding of the Senior Class A Notes is reduced to zero and the Principal Amount Outstanding of the Mezzanine Class B Notes is reduced to zero, the Mezzanine Class C Noteholders will not be entitled to any repayment of principal in respect of the Mezzanine Class C Notes. If, on any Monthly 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 Monthly Payment Date shall not exceed its Principal Amount Outstanding less the relevant Principal Shortfall on such Monthly Payment Date. 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 Mortgage Receivables and there is no balance standing to the credit of the Transaction Accounts and the Issuer has no further rights under or in connection with any of the Relevant Documents.

Until the date on which the Principal Amount Outstanding of the Senior Class A Notes is reduced to zero and the Principal Amount Outstanding of the Mezzanine Class B Notes is reduced to zero and the Principal Amount Outstanding of the Mezzanine Class C Notes is reduced to zero, the Mezzanine Class D Noteholders will not be entitled to any repayment of principal in respect of the Mezzanine Class D Notes. If, on any Monthly 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 Mezzanine Class D Note on such Monthly Payment Date shall not exceed its Principal Amount Outstanding less the relevant Principal Shortfall on such date. The Mezzanine Class D Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Mezzanine Class D Notes after the date on which the Issuer no longer holds any Mortgage Receivables and there is no balance standing to the credit of the Transaction Accounts and the Issuer has no further rights under or in connection with any of the Relevant Documents.

Until the date on which the Principal Amount Outstanding of the Senior Class A Notes is reduced to zero and the Principal Amount Outstanding of the Mezzanine Class B Notes is reduced to zero and the Principal Amount Outstanding of the Mezzanine Class C Notes is reduced to zero and the Principal Amount Outstanding of the Mezzanine Class D Notes is reduced to zero, the Junior Class E Noteholders will not be entitled to any repayment of principal in respect of the Junior Class E Notes. If, on any Monthly 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 Mezzanine Class E Note on such Monthly Payment Date shall not exceed its Principal Amount Outstanding less the relevant Principal Shortfall on such date. The Junior Class E Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Junior Class E Notes after the date on which the Issuer no longer holds any Mortgage Receivables and there is no balance standing to the credit of the Transaction Accounts and the Issuer has no further rights under or in connection with any of the Relevant Documents.

'Principal Shortfall' shall mean an amount equal to the quotient of the balance on the relevant sub-ledger of the Principal Deficiency Ledger on a Monthly Payment Date divided by the number of the Notes of the relevant Class on such Monthly Payment Date.

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 earlier of (i) the Final Maturity Date or (ii) the date on which the Issuer no longer holds any Mortgage Receivables and there are no balances standing to the credit of the Transaction Accounts and the Issuer has no further rights under or in connection with any of the Relevant Documents.

(c) *Limited Recourse*

In the event that the Security in respect of the Notes has been fully enforced and the proceeds of such enforcement, after payment of all other claims ranking under the Trust Deed in priority to 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, of whatever nature, against the Issuer or the Security Trustee in respect of any such unpaid amounts. If, on any date, the Security is to be enforced and the proceeds of the enforcement would be insufficient to fully redeem the Senior Class A Notes in full, such loss will be borne, *pro rata* and *pari passu*, by the holders of the Senior Class A Notes. If the Senior Class A1 Notes have been redeemed (in part or in full) at such time, this will result in the Senior Class A2 Notes bearing a greater loss than that borne by the Senior Class A1 Notes.

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 holders of the Most Senior Class of Notes (subject to, in each case, 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 events shall occur (each an **'Event of Default'**):

- (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 thereof was given 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 or the Security;

provided that, if more than one Class of Notes is outstanding, no Enforcement Notice may or shall be given by the Security Trustee to the Issuer in respect of any Class of Notes ranking junior to the Most Senior Class of Notes irrespective of whether an Extraordinary Resolution is passed by the holders of such Class or Classes of Notes ranking junior to the Most Senior Class of Notes, unless an Enforcement Notice in respect of the Most

Senior Class of Notes has been given by the Security Trustee. In exercising its discretion as to whether or not to give an Enforcement Notice to the Issuer in respect of the Most Senior Class of Notes, the Security Trustee shall not be required to have regard to the interests of the holders of any Class of Notes ranking junior to the Most Senior Class of Notes.

11. Enforcement

- (a) At any time after the Notes of any Class become due and payable as a result of an Enforcement Notice, 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 admitted to listing, trading and/or quotation on Euronext Amsterdam or by any other competent authority, stock exchange and/or quotation system, notice shall also be published in such other place as may be required by the rules and regulations of such competent authority, stock exchange and/or quotation system. Any such notice shall be deemed to have been given on the first date of such publication.

14. Meetings of Noteholders; Modification; Consents; Waiver

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

(a) Meeting of Noteholders

A meeting as referred to above may be convened by the Issuer or by Noteholders of any Class holding not less than ten (10) per cent. in Principal Amount Outstanding of the Notes of such Class.

(b) Basic Terms Change

No change of certain terms by the Noteholders of any Class, including (i) the date of maturity of the Notes of the relevant Class, (ii) a change which would have the effect of postponing any day for payment of interest in respect of such Notes, (iii) reducing or cancelling the amount of principal payable in respect of such Notes, (iv) altering the majority required to pass an Extraordinary Resolution, or (v) altering the rate of interest payable in respect of the Notes any alteration of the date or priority of redemption of such Notes (any such change in respect of any such Class of Notes being 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 Basic Terms Change (a) is being proposed by the Issuer as a result of, or in order to avoid, an Event of Default and (b) the Security Trustee (i) has notified the Rating Agencies and (ii) in its reasonable opinion, does not expect that the then current ratings assigned to the Mortgage-Backed Notes, will be adversely affected by such Basic Terms Change, then no such Extraordinary Resolution is required.

(c) Extraordinary Resolution

Quorum and majority

The quorum for any meeting convened to consider an Extraordinary Resolution for any Class of Notes will be one or more persons holding or representing not less than two-thirds of the Principal Amount Outstanding of the Notes of the relevant Class, as the case may be, and at such meeting an Extraordinary Resolution will be adopted with not less than a two-third majority of the validly cast votes, except that the quorum required for an Extraordinary Resolution including the sanctioning of a Basic Terms Change shall be one or more persons holding or representing not less than 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 validly cast votes, regardless of the Principal Amount Outstanding of the Notes of the relevant Class then represented.

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

Limitations

No Extraordinary Resolution to sanction a Basic Terms Change in respect of a Class of Notes shall take effect unless (i) the Issuer has agreed thereto, (ii) only in respect of a change which would have the effect of altering the rate of interest payable in respect of such Class of Notes, the Interest Swap Counterparty has agreed thereto and (iii) it shall have been sanctioned by an Extraordinary Resolution of the holders of all Notes ranking junior to the Most Senior Class of Notes.

An Extraordinary Resolution of the Mezzanine Class B Noteholders and/or the Mezzanine Class C Noteholders and/or the Mezzanine Class D Noteholders and/or the Junior 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 Mezzanine Class D Noteholders and/or, as the case may be, the Junior Class E Noteholders or it is sanctioned by an Extraordinary Resolution of the Senior Class A 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 Noteholders of any other Classes of Notes, irrespective of the effect on their interests.

(d) Modifications by the Security Trustee

The Security Trustee may agree, without the consent of the Noteholders, to (i) any modification of any of the provisions of the Relevant Documents which is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except if prohibited in the Relevant Documents), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Relevant Documents, and any consent, to the transfer of the rights and obligations under a Relevant Document by the relevant counterparty to a successor, which is in the opinion of the Security Trustee not materially prejudicial to the interests of the Noteholders, provided that the Security Trustee (i) has notified the Rating Agencies and (ii) in its reasonable opinion, the Security Trustee does not expect that the then current ratings assigned to the Mortgage-Backed

Notes will be adversely affected as a consequence of any such modification, authorisation, waiver or consent. Any such modification, authorisation, waiver or consent shall be binding on the Noteholders and, if the Security Trustee so requires, such modification, authorisation, waiver or consent shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

(e) Exercise of Security Trustee's functions

In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Security Trustee shall have regard to the interests of the Senior Class A Noteholders and the Mezzanine Class B Noteholders and the Mezzanine Class C Noteholders and the Mezzanine Class D Noteholders and the Junior 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, and any non-contractual obligations arising out of or in relation to 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 (the '**Temporary Global Note**') (i) in the case of the Senior Class A1 Notes, in the principal amount of euro 189,000,000, (ii) in the case of the Senior Class A2 Notes, in the principal amount of euro 643,500,000; (iii) in the case of the Mezzanine Class B Notes, in the principal amount of euro 23,400,000, (iv) in the case of the Mezzanine Class C Notes, in the principal amount of euro 20,700,000, (v) in the case of the Mezzanine Class D Notes, in the principal amount of euro 18,000,000, (vi) in the case of the Junior Class E Notes, in the principal amount of euro 5,400,000 and (vii) in the case of the Subordinated Class F Notes, in the principal amount of euro 4,500,000. Each Temporary Global Note will be deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg on or about the Closing Date. Upon deposit of each such Temporary Global Note, Euroclear and Clearstream, Luxembourg, as the case may be, will credit each purchaser of Notes represented by such Temporary Global Note with the principal amount of the relevant Class of Notes equal to the principal amount thereof for which it has purchased and paid. On any payment, whether principal or interest, being made in respect of any of the Notes, details of such payments shall be entered *pro rata* in the records of Euroclear and/or Clearstream and, upon any payment of principal being made, the nominal amount of the Notes recorded in the records of Euroclear and/or Clearstream shall be reduced by the aggregate nominal amount of such payment. Interests in each Temporary Global Note will be exchangeable (provided certification of non-U.S. beneficial ownership by the Noteholders has been received) not earlier than 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). 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. On the exchange of a Temporary Global Note for a Permanent Global Note of the relevant Class of Notes, the Permanent Global Note will remain deposited with the common safekeeper.

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

The Global Notes will be transferable by delivery in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as appropriate. 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 or, as the case may be, in the Principal Amount Outstanding of the Notes of such Class on such date of exchange. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note will be entitled to receive any payment made in respect of that Note in accordance with the respective rules and procedures of Euroclear or, as the case may be, Clearstream, Luxembourg. Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes, which must be made by the holder of a Global Note, for so long as such Global Note is outstanding. No person is entitled to receive any payment under a Temporary Global Note unless the exchange of a Temporary Global Note for a Permanent Global Note has been improperly withheld or refused.

For so long as all of the Notes are represented by the Global Notes and such Global Notes are held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relevant accountholders rather than by publication as required by Condition 13 (provided that, in the case any publication required by a stock exchange, that stock exchange agrees or, as the case may be, any other publication 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 and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

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

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

- (i) Senior Class A1 Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Senior Class A1 Notes;
- (ii) Senior Class A2 Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Senior Class A2 Notes;
- (iii) 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;
- (iv) 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;
- (v) Mezzanine Class D Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Mezzanine Class D Notes;
- (vi) Junior Class E Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Junior Class E Notes; and
- (vii) 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 calendar days of the occurrence of the relevant Exchange Event, subject in each case to certification as to non-U.S. beneficial ownership and against the surrender of the relevant Permanent Global Note to or to the order of the Paying Agent.

The Issuer will promptly give notice to Noteholders in accordance with Condition 13 upon the occurrence of an Exchange Event. In the event of the occurrence of any Exchange Event, Euroclear and/or Clearstream, Luxembourg acting on the instructions of any holder of an interest in the Global Note may give notice to the Paying Agent requesting exchange and in the event of the occurrence of an Exchange Event as described in (ii) above, the Issuer may also give notice to the Paying Agent requesting exchange. At the date hereof, Euroclear or Clearstream, Luxembourg do not regard Notes in global form as fungible with Notes in definitive form.

The following legend will appear on all Global Notes, Notes in definitive form, receipts and interest coupons (including talons) which are subject to TEFRA D selling restrictions:

'ANY UNITED STATES PERSON (AS DEFINED IN THE UNITED STATES INTERNAL REVENUE CODE OF 1986 (THE "CODE")) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165 (j) AND 1287 (a) OF THE CODE.'

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

TAXATION IN THE NETHERLANDS

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

The summary provided below is based on the information provided in this Prospectus and on the Dutch tax laws, regulations, resolutions and other public rules with legal effect, and the interpretation thereof under published case law, all as in effect on the date of this Prospectus and it does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

Subject to the foregoing:

1. No registration, stamp, transfer or turnover taxes or other similar duties or taxes will be payable in the Netherlands in respect of the offering and the Issue of the Notes by the Issuer or in respect of the signing and delivery of the Documents.
2. No Netherlands withholding tax will be due on payments of principal and/or interest.
3. A holder of Notes (a '**Holder**') will not be subject to Dutch taxes on income or capital gains in respect of the acquisition or holding of Notes or any payment under the Notes or in respect of any gain realised on the disposal or redemption of the Notes, provided that:
 - (i) such Holder is neither a resident nor deemed to be a resident nor has opted to be treated as a resident in the Netherlands; and
 - (ii) such Holder does not have an enterprise or an interest in an enterprise that, in whole or in part, is carried on through a permanent establishment or a permanent representative in the Netherlands and to which permanent establishment or permanent representative the Notes are attributable;and, if the Holder is a legal person,
 - (iii) such Holder does not have a substantial interest ("*aanmerkelijk belang*")* in the share capital of the Issuer and/or any Seller or in the event that such Holder does have such an interest, such interest forms part of the assets of an enterprise; and
 - (iv) such Holder does not have a deemed Dutch enterprise to which enterprise the Notes are attributable;and, if the Holder is a natural person,
 - (v) such Holder does not derive benefits from miscellaneous activities carried out in the Netherlands in respect of the Notes, including, without limitation, activities which are beyond the scope of active portfolio investment activities; and
 - (vi) such Holder or a person related to the Holder by law, contract, consanguinity or affinity to the degree specified in the tax laws of the Netherlands does not have, or is not deemed to have, a substantial interest* in the share capital of the Issuer and/or any Seller.

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

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

PURCHASE AND SALE

Rabobank International, Natixis and The Royal Bank of Scotland plc (the '**Managers**' or '**Arrangers**') have pursuant to a notes purchase agreement dated 10 December 2009 among the Managers, the Issuer and the Seller (the '**Notes Purchase Agreement**'), severally agreed with the Issuer, subject to certain conditions, to purchase the Notes at their respective issue prices. There is no obligation of the Managers to purchase any Notes unless the Managers have (on)sold such Notes to third parties, including the Seller. The Managers have agreed to purchase such number of Notes of any Class as it has sold to third parties identified by the Managers at their sole discretion. The Seller has undertaken with each of the Managers that it will purchase any and all Notes that will not be sold to third parties identified by the Managers at their sole discretion from the Managers on the Closing Date. 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 Manager 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 Manager has represented and agreed that (i) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 (the '**FSMA**'), with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom and (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated 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.

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 investment services for the account of third parties ("*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*"), in the Republic of France ("*France*"), within the meaning of Articles L.411-1, L.411-2 and D.411-1 to D.411-4 of the French Code Monétaire et Financier (Monetary and Financial Code) and the Decree 98-880 dated 1 October 1998; neither this Prospectus, which has not been submitted to the Autorité des Marchés Financiers, nor any information contained therein or any offering material relating to the Notes, may be distributed or caused to be distributed to the public in France.

Italy

No action has or will be taken by them which would allow an offering (or a "*sollecitazione all'investimento*") of the Notes to the public in the Republic of Italy ("**Italy**") unless in compliance with the relevant Italian securities,

[†] The EU plus Iceland, Norway and Liechtenstein

tax and other applicable laws and regulations; and no application has been filed to obtain an authorisation from the *Commissione Nazionale per le Società e la Borsa* (“**CONSOB**”) for the public offering of the Notes in Italy.

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

- (i) to the categories of qualified investors set out in paragraphs (i) to (iii) of Article 2(1)(e) of the Prospectus Directive, pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended ("**Decree No. 58**"); or
- (ii) in any other circumstances where an express exemption from compliance with the offer restrictions applies, as provided under Decree No. 58 or CONSOB Regulation No. 11971 of 14 May 1999, as amended.

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

- (a) made by investment firms, banks of financial intermediaries permitted to conduct such activities in Italy in accordance with Legislative Decree No. 385 of 1 September 1993, as amended, Decree No. 58, CONSOB Regulation No. 16190 of 31 October 2007 and any other applicable laws and regulations; and
- (b) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

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

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

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

General

The distribution of this Prospectus and the offering and sale of the Notes in certain jurisdictions may be restricted by law; persons into whose possession this Prospectus comes are required by each of the Issuer, each Arranger and each Manager 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 Manager has undertaken not to offer or sell directly or indirectly any Notes, or to distribute or publish (to the best of its knowledge and beliefs) 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 8 December 2009.
2. Application has been made to list the Notes on Euronext Amsterdam on the Closing Date. The estimated total costs involved with such admission amount to euro 20,000.
3. The Senior Class A1 Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam and will bear common code 047129753, ISIN Code XS0471297530 and WKN Code A1AQNS.
4. The Senior Class A2 Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam and will bear common code 047129796, ISIN Code XS0471297969 and WKN Code A1AQNT.
5. The Mezzanine Class B Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam and will bear common code 047129826, ISIN Code XS0471298264 and WKN Code A1AQNU.
6. The Mezzanine Class C Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam and will bear common code 047129958, ISIN Code XS0471299585 and WKN Code A1AQNV.
7. The Mezzanine Class D Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam and will bear common code 047129966, ISIN Code XS0471299668 and WKN Code A1AQNW.
8. The Junior Class E Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam and will bear common code 047129974, ISIN Code XS0471299742 and WKN Code A1AQNX.
9. The Subordinated Class F Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam and will bear common code 047130000, ISIN Code XS0471300003 and WKN Code A1AQNY.
10. The addresses of the clearing systems are: Euroclear, 1 Boulevard de Roi Albert II, 1210 Brussels, Belgium and Clearstream Luxembourg, 42 Avenue J.F. Kennedy, L-1855 Luxembourg.
11. Since its incorporation, the Issuer is not involved in any legal, arbitration or governmental proceedings which may have a significant effect on the Issuer's financial position or profitability nor are any such proceedings pending or, as far as the Issuer is aware, threatened against the Issuer.
12. Hard 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 as long as the Notes are outstanding:
 - (i) the Deed of Incorporation including the Articles of Association of the Issuer;
 - (ii) the Mortgage Receivables Purchase Agreement;
 - (iii) the Paying Agency Agreement;
 - (iv) the Trust Deed;
 - (v) the Parallel Debt Agreement;
 - (vi) the Trustee Receivables Pledge Agreement;
 - (vii) the Trustee Assets Pledge Agreement;
 - (viii) the Issuer Services Agreement;
 - (ix) the Savings Insurance Sub-Participation Agreement;
 - (x) the Bank Savings Sub-Participation Agreement;
 - (xi) the Liquidity Facility Agreement;
 - (xii) the Floating Rate GIC;

- (xiii) the Swap Agreement;
 - (xiv) the Master Definitions Agreement;
 - (xv) the Beneficiary Waiver Agreement;
 - (xvi) the Subordinated Loan Agreement;
 - (xvii) the Management Agreement I;
 - (xviii) the Management Agreement II; and
 - (xix) the Management Agreement III.
13. The articles of association of the Issuer are incorporated herein by reference. The Issuer's articles of association will be available free of charge at the registered office of the Issuer.
14. A copy of the Prospectus will be available, free of charge, at the registered offices of the Issuer, the Security Trustee and the Paying Agent.
15. US taxes:
- The Notes will bear a legend to the following effect: 'any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Section 165(j) and 1287(a) of the Internal Revenue Code'.
- The sections referred to in such legend provide that a United States person who holds a Note will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note and any gain (which might otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.
16. The audited financial statements of the Issuer prepared annually will be made available, free of charge, at the specified offices of the Issuer.
17. A quarterly report on the performance, including the arrears and the losses, of the transaction can be obtained at: www.arenarmbs.nl.

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