IMPORTANT NOTICE

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

IF YOU ARE A RETAIL INVESTOR, DO NOT CONTINUE

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

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

THE NOTES OFFERED AND SOLD BY THE ISSUER MAY NOT BE PURCHASED BY, OR FOR THE ACCOUNT OR BENEFIT OF, ANY "U.S. PERSON" AS DEFINED IN THE U.S. RISK RETENTION RULES (**RISK RETENTION U.S. PERSONS**). PROSPECTIVE INVESTORS SHOULD NOTE THAT THE DEFINITION OF "U.S. PERSON" IN THE U.S. RISK RETENTION RULES IS DIFFERENT FROM THE DEFINITION OF "U.S. PERSON" IN REGULATION S OF THE SECURITIES ACT. EACH PURCHASER OF THE NOTES OR A BENEFICIAL INTEREST THEREIN ACQUIRED IN THE INITIAL DISTRIBUTION OF THE NOTES, BY ITS ACQUISITION OF THE NOTES OR A BENEFICIAL INTEREST THEREIN, WILL BE DEEMED TO, AND IN CERTAIN CIRCUMSTANCES WILL BE REQUIRED TO, REPRESENT AND AGREE, THAT IT (1) IS NOT A RISK RETENTION U.S. PERSON, (2) IS ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN FOR ITS OWN ACCOUNT AND NOT WITH A VIEW TO DISTRIBUTE SUCH NOTE, AND (3) IS NOT ACQUIRING SUCH NOTE OR A BENEFICIAL INTEREST THEREIN AS PART OF A SCHEME TO EVADE THE REQUIREMENTS OF THE U.S. RISK RETENTION RULES (INCLUDING ACQUIRING SUCH NOTE THROUGH A NON-RISK RETENTION U.S. PERSON, RATHER THAN A RISK RETENTION U.S. PERSON, AS PART OF A SCHEME TO EVADE THE 10 PER CENT. RISK RETENTION U.S. PERSON LIMITATION IN THE EXEMPTION PROVIDED FOR IN SECTION 246.20 OF THE U.S. RISK RETENTION RULES).

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

THE ISSUANCE OF THE NOTES WAS NOT DESIGNED TO COMPLY WITH THE U.S. RISK RETENTION RULES, OTHER THAN THE EXEMPTION UNDER SECTION 246.20 OF THE U.S. RISK RETENTION RULES, AND NO OTHER STEPS HAVE BEEN TAKEN BY THE ARRANGER, THE MANAGERS, DUTCH MBS XIX B.V., OR STICHTING SECURITY TRUSTEE DUTCH MBS XIX OR ANY OF THEIR AFFILIATES OR ANY OTHER PARTY TO ACCOMPLISH SUCH COMPLIANCE. NONE OF THE ARRANGER, THE MANAGERS, DUTCH MBS XIX B.V., OR STICHTING SECURITY DUTCH MBS XIX OR ANY OTHER PARTY PROVIDES ANY ASSURANCES REGARDING, OR ASSUMES ANY RESPONSIBILITY FOR, THE COMPLIANCE BY THE MANAGERS WITH THE U.S. RISK RETENTION RULES PRIOR TO, ON OR AFTER THE CLOSING DATE.

THIS PROSPECTUS MAY ONLY BE DISTRIBUTED IN "OFFSHORE TRANSACTIONS" TO PERSONS OTHER THAN U.S. PERSONS AS DEFINED IN, AND AS PERMITTED BY, EACH OF REGULATION S UNDER THE SECURITIES ACT AND REGULATION RR (17 C.F.R PART 246) IMPLEMENTING THE RISK RETENTION REQUIREMENTS OF SECTION 15G OF THE U.S. SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE “U.S. RISK RETENTION RULES”). ANY FORWARDING, REDISTRIBUTION OR REPRODUCTION OF THIS PROSPECTUS IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS NOTICE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Prohibition of sales to EEA retail investors: The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); (ii) a customer within the meaning of Directive 2016/97/EU ("**IDD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

MIFID II product governance / Professional investors and ECPs only target market – Solely for the product approval process of NIBC Bank N.V. as Arranger and ING Bank N.V., Coöperatieve Rabobank U.A. and Société Générale S.A. as Managers (each a "manufacturer"), the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

Benchmark Regulation (Regulation (EU) 2016/1011): Amounts payable under the Notes may be calculated by reference to Euribor, which is provided by the European Money Markets Institute ("**EMMI**") and the interest received on the Issuer Accounts is determined by reference to EONIA. As at the date of this Prospectus, EMMI does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (ESMA) pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "**Benchmark Regulation**"). As far as the Issuer is aware, the transitional provisions in article 51 of the Benchmark Regulation apply, such that EMMI is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).

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

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

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

This prospectus is obtained by you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither Dutch MBS XIX B.V., ING Bank N.V., Coöperatieve Rabobank U.A., Société Générale S.A., nor NIBC Bank N.V. nor any person who controls them nor any director, officer, employee nor agent of it or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the prospectus distributed to you in electronic format and the hard copy version available to you on request from Dutch MBS XIX B.V., ING Bank N.V., Coöperatieve Rabobank U.A., Société Générale S.A. or NIBC Bank N.V.

None of the Arranger, the Managers nor any of their respective affiliates accepts any responsibility whatsoever for the contents of this document or for any statement made or purported to be made by any of them, or on any of their behalf, in connection with the Issuer or the Notes. The Arranger and the Managers and their respective affiliates accordingly disclaim all and any liability whether arising in tort, contract, or otherwise which they might otherwise have in respect of such document or any such statement. No representation or warranty express or implied, is made by any of the Arranger and the Managers or their respective affiliates as to the accuracy, completeness, verification or sufficiency of the information set out in this document. Furthermore, none of the Arranger or the Managers will have any responsibility for any act or omission of any other party in relation to this offer.

The Arranger and the Managers are acting exclusively for the Issuer and no one else in connection with the offer. They will not regard any other person (whether or not a recipient of this document) as its client in relation to the offer and will not be responsible to anyone other than the Issuer for providing the protections afforded to its clients nor for giving advice in relation to the offer or any transaction or arrangement referred to herein.

PROSPECTUS DATED 28 NOVEMBER 2018
Dutch MBS XIX B.V. as Issuer

(*incorporated with limited liability in the Netherlands*)

	Class A	**Class B**	**Class C**	**Class D**	**Class E**
Principal Amount	EUR 447,300,000	EUR 8,100,000	EUR 9,900,000	EUR 10,900,000	EUR 4,700,000
Issue Price	100 per cent.	100 per cent.	100 per cent.	100 per cent.	100 per cent.
Interest rate until (but excluding) the First Optional Redemption Date	three month Euribor plus 0.41 per cent. per annum	three month Euribor plus 0.80 per cent. per annum	three month Euribor plus 1.50 per cent. per annum	three month Euribor plus 1.75 per cent. per annum	three month Euribor plus 2.00 per cent. per annum
Interest rate from (and including) the First Optional Redemption Date	three month Euribor plus 0.82 per cent. per annum	three month Euribor plus 0.00 per cent. per annum	three month Euribor plus 0.00 per cent. per annum	three month Euribor plus 0.00 per cent. per annum	three month Euribor plus 0.00 per cent. per annum
Expected ratings (Fitch / Moody's)	'AAA' sf / 'Aaa (sf)'	'A+' sf / 'Aa1 (sf)	'A+' sf / 'Aa1 (sf)'	'A-' sf / 'A1'(sf)'	NR
First Notes Payment Date	February 2019	February 2019	February 2019	February 2019	February 2019
First Optional Redemption Date	Notes Payment Date falling in November 2023	Notes Payment Date falling in November 2023	Notes Payment Date falling in November 2023	Notes Payment Date falling in November 2023	Notes Payment Date falling in November 2023
Final Maturity Date	November 2050	November 2050	November 2050	November 2050	November 2050

Hypinvest B.V. and NIBC Direct Hypotheken B.V.
as Sellers

Closing Date	The Issuer will issue the Notes in the classes set out above on 30 November 2018 (or such later date as may be agreed between the Issuer and NIBC) (the "**Closing Date**").
Underlying Assets	The Issuer will make payments on the Notes from, *inter alia*, payments of principal and interest received from a portfolio comprising mortgage loans originated by the Sellers and secured over residential properties located in the Netherlands. Legal title to the Mortgage Receivables resulting from such mortgage loans will be assigned by the Sellers to the Issuer on the Closing Date and, subject to certain conditions being met, during a period from the Closing Date until (but excluding) the Final Maturity Date. See section 6.2 (*Description of Mortgage Loans*) for more details.
Security for the Notes	The Noteholders will, together with the other Secured Creditors, benefit from security rights created in favour of the Security Trustee over, *inter alia*, the Mortgage Receivables and the Issuer Rights (see section 4.7 (*Security*)).
Denomination	The Notes will have a minimum denomination of EUR 100,000.
Form	The Notes will be in bearer form. The Notes will be represented by Global Notes, with coupons attached. Interests in the Global Notes will only in limited circumstances be exchangeable for Notes in definitive form.
Interest	The Notes will carry floating rates of interest as set out above, payable quarterly in arrear on each Notes Payment

	Date. See further Condition 4 (*Interest*).
Redemption Provisions	Payments of principal on the Notes will be made quarterly in arrear on each Notes Payment Date in the circumstances set out in, subject to and in accordance with the Conditions. The Notes will mature on the Final Maturity Date. On the First Optional Redemption Date and each Optional Redemption Date thereafter and in certain other circumstances, the Issuer will have the option to redeem all (but not some only) of the Notes (other than the Class E Notes). See further Condition 6 (*Redemption*).
Subscription and Sale	The Class A Managers (or their affiliates) have agreed to purchase at the Closing Date, subject to certain conditions precedent being satisfied, the Class A Notes. Furthermore, the Subordinated Notes Manager has agreed, subject to certain conditions precedent being satisfied, to purchase at the Closing Date the Subordinated Notes.
Credit Rating Agencies	Each of Fitch and Moody's (together, the "**Credit Rating Agencies**") is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). As such each of the Credit Rating Agencies is included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website in accordance with the CRA Regulation.
Credit Ratings	Credit ratings will be assigned to the Notes, other than the Class E Notes, as set out above on or before the Closing Date. The credit ratings of the Notes, other than the Class E Notes, address the assessment made by Fitch and Moody's of the likelihood of full and timely payment of interest and ultimate payment of principal on or before the Final Maturity Date, but does not provide any certainty nor guarantee. **The assignment of credit ratings to the Notes, other than the Class E Notes, is not a recommendation to invest in the Notes. Any such credit rating may be reviewed, revised, suspended or withdrawn at any time. Any such review, revision, suspension or withdrawal could adversely affect the market value of the Notes.**
Listing	Application has been made to Euronext Amsterdam for the Notes, other than the Class E Notes, to be admitted to the official list and trading on its regulated market. The Notes are expected to be listed on or about the Closing Date. The Class E Notes will not be listed. This prospectus (the "**Prospectus**") has been approved by the AFM and constitutes a prospectus for the purposes of the Prospectus Directive.
Eurosystem Eligibility	The Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Class A Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper. It does not necessarily mean that the Class A Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.
Limited recourse obligations	The Notes will be limited recourse obligations of the Issuer alone and will not be the obligations of, or guaranteed by, or be the responsibility of, any other entity. The Issuer will have no or limited sources of funds available. See section 2 (*Risk Factors*).
Subordination	The right of payment of interest and principal on each Class of Notes, other than the Class A Notes, is subordinated to the other Classes of Notes in reverse alphabetical order. See section 5 (*Credit Structure*).
Retention and Information Undertaking	NIBC has undertaken to the Issuer, the Security Trustee and the Managers that, for as long as the Notes are outstanding, it will at all times retain a material net economic interest in the securitisation transaction which shall in any event not be less than 5 per cent., in accordance with article 405(1)(d) CRR, article 51(1)(d) AIFMR and article 254(2)(d) Solvency II Regulation and, when applicable article 6(3)(d) of the Securitisation Regulation. See section 4.4 (*Regulatory and Industry Compliance*) for more details.

	The Sellers have also undertaken to make available materially relevant information to investors with each Investor Report with a view to such investor complying with articles 405 up to and including 409 of the CRR, articles 51 and 52 of the AIFMR and article 254 and 256 of the Solvency II Regulation and, if applicable, article 5 of the Securitisation Regulation, which information can be obtained from the Sellers upon request including to make appropriate disclosures, or to procure that appropriate disclosures are made, to Noteholders about the retained net economic interest in the securitisation and to ensure that the Noteholders have readily available access to all materially relevant data. Each prospective Noteholder should ensure that it complies with the CRR, the AIFMR or the Solvency II Regulation to the extent they apply to such Noteholder. The issuance of the Notes was not designed to comply with the U.S. Risk Retention Rules, other than the exemption under section 246.20 of the U.S. Risk Retention Rules.
Volcker Rule	The Issuer is not, and solely after giving effect to any offering and sale of the Notes and the application of the proceeds thereof will not be, a "covered fund" for purposes of regulations adopted under Section 13 of the Bank Holding Company Act of 1956, as amended (commonly known as the **Volcker Rule**). In reaching this conclusion, although other statutory or regulatory exclusions and/or exemptions under the Investment Company Act of 1940, as amended (the **Investment Company Act**) and under the Volcker Rule and its related regulations may be available, the Issuer has relied on the determinations that (i) the Issuer would satisfy all of the elements of the exemption from registration under the Investment Company Act provided by Section 3(c)(5)(C) thereunder, and, accordingly, (ii) the Issuer may rely on the exemption from the definition of a "covered fund" under the Volcker Rule made available to entities that do not rely solely on Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act for their exclusion and/or exemption from registration under the Investment Company Act.

For a discussion of some of the risks associated with an investment in the Notes, see section 2 (*Risk Factors*) herein.

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

Unless otherwise indicated in this Prospectus or the context otherwise requires, capitalised terms used in this Prospectus have the meaning ascribed thereto in paragraph 9.1 (*Definitions*) of the Glossary of Defined Terms set out in this Prospectus.

The principles of interpretation set out in paragraph 9.2 (*Interpretation*) of the Glossary of Defined Terms in this Prospectus shall apply to this Prospectus.

The date of this Prospectus is 28 November 2018.

Arranger

NIBC Bank N.V.

Class A Managers

NIBC Bank N.V.

Coöperatieve Rabobank U.A.

ING Bank N.V.,

Société Générale S.A.

Subordinated Notes Manager

NIBC Bank N.V.

RESPONSIBILITY STATEMENTS

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

The Sellers and NIBC are also responsible for the information contained in the following sections of this Prospectus: all paragraphs dealing with article 405 of the CRR, article 51 of the AIFMR and articles 254 and 256 of the Solvency II Regulation and article 6 of the Securitisation Regulation, section 1.6 (*Portfolio Information*), section 3.4 (*Sellers*), paragraphs *'Stater Nederland B.V.'* in section 7.5 (*Servicing Agreement*), the paragraph *'Average life'* in section 1 (*Transaction Overview*). To the best of their knowledge (having taken all reasonable care to ensure that such is the case) the information contained in these sections is in accordance with the facts and does not omit anything likely to affect the import of such information. Each of the Sellers and NIBC accepts responsibility accordingly.

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

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

Persons into whose possession this Prospectus (or any part thereof) comes are required to inform themselves about, and to observe, any such restrictions. A further description of the restrictions on offers, sales and deliveries of the Notes and on the distribution of this Prospectus is set out in section 4.3 (*Subscription and Sale*). No one is authorised by the Issuer or any Seller to give any information or to make any representation concerning the issue of the Notes other than those contained in this Prospectus in accordance with applicable laws and regulations.

Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the issue of the Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Managers to any person to subscribe for or to purchase any Notes. Before making an investment decision with respect to any Notes, prospective investors should consult their own stockbroker, bank manager, lawyer, accountant or other financial, legal and tax advisers and carefully review the risks entailed by an investment in the Notes, consider such an investment decision in light of the prospective investor's personal circumstances and should determine for itself the relevance of the information contained in this Prospectus and its purchase of the Notes should be based upon such investigation as it deems necessary.

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

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

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 difference might be significant.

The Notes have not been and will not be registered under the Securities Act and will not include Notes in bearer form that are subject to United States tax law requirements. The Notes may not be offered, sold or delivered within the United States or to (a) United States persons as defined in Regulation S under the Securities Act, or (b) United States persons as defined in the U.S. Risk Retention Rules, except in certain transactions permitted by U.S. tax regulations and the Securities Act (see section 4.3 (*Subscription and Sale*)). 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 on accuracy or adequacy of this Prospectus. Any representation to the contrary is unlawful.

Neither the Arranger, the Security Trustee, the Managers nor any of their respective affiliates have separately verified the information contained in this Prospectus. To the fullest extent permitted by law, none of the Arranger, the Security Trustee, the Managers nor any of their respective affiliates makes any representation, express or implied, or accepts any responsibility for the contents of this Prospectus as to the accuracy, completeness or sufficiency of the information set out herein or for any statement or information contained in or consistent with this Prospectus or for any other statement, whether or not made or purported to be made by the Arranger, the Security Trustee, the Managers or any of their respective affiliates or on its behalf, in connection with the Issuer, the Sellers or the offering of the Notes. The Arranger, the Security Trustee, the Managers and their respective affiliates accordingly disclaim all and any liability whether arising in tort or contract or otherwise which it might have in respect of this Prospectus or any such statement or information.

THE NOTES AND ANY CONTRACTUAL OBLIGATIONS OF THE ISSUER ARE OBLIGATIONS OF THE ISSUER SOLELY. THE NOTES WILL BE DIRECT, LIMITED RECOURSE OBLIGATIONS OF THE ISSUER PAYABLE SOLELY OUT OF THE ASSETS OF THE ISSUER TO THE EXTENT DESCRIBED HEREIN. NEITHER THE NOTES NOR THE MORTGAGE RECEIVABLES WILL BE GUARANTEED BY THE SELLERS, THE ARRANGER, THE MANAGERS NOR ANY OF THEIR RESPECTIVE AFFILIATES. SUBJECT TO THE RESPECTIVE POWERS OF THE NOTEHOLDERS' REPRESENTATIVES AND THE POWERS OF THE MEETINGS OF THE NOTEHOLDERS ONLY THE SECURITY TRUSTEE MAY ENFORCE THE RIGHTS OF THE NOTEHOLDERS AGAINST THIRD PARTIES. NONE OF THE SELLERS, THE ARRANGER, THE MANAGERS NOR ANY OF THEIR RESPECTIVE AFFILIATES SHALL BE LIABLE IF THE ISSUER IS UNABLE TO PAY ANY AMOUNT DUE UNDER THE NOTES. THE OBLIGATIONS OF THE ISSUER IN RESPECT OF THE NOTES SHALL BE LIMITED TO COMMITMENTS ARISING FROM THE TRANSACTION DOCUMENTS (AS DEFINED HEREIN) RELATING TO THE ISSUER, WITHOUT PREJUDICE TO ANY APPLICABLE LAWS AND REGULATIONS.

Neither the delivery of this Prospectus, nor any sale or allotment made in connection with the offering of any of the Notes shall, under any circumstances, imply that there has been no change in the affairs of the Issuer, the Sellers, the Arranger, the Managers, the Issuer Account Bank, the Servicer, the Sub-servicer, the Swap Counterparty, the Paying Agent, the Listing Agent or the information contained herein since the date hereof or that the information contained herein is correct as at any time subsequent to the date hereof. The information set forth herein, to the extent that it comprises a description of certain provisions of the Transaction Documents, is a summary and is not presented as a full statement of the provisions of such Transaction Documents.

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1. TRANSACTION OVERVIEW

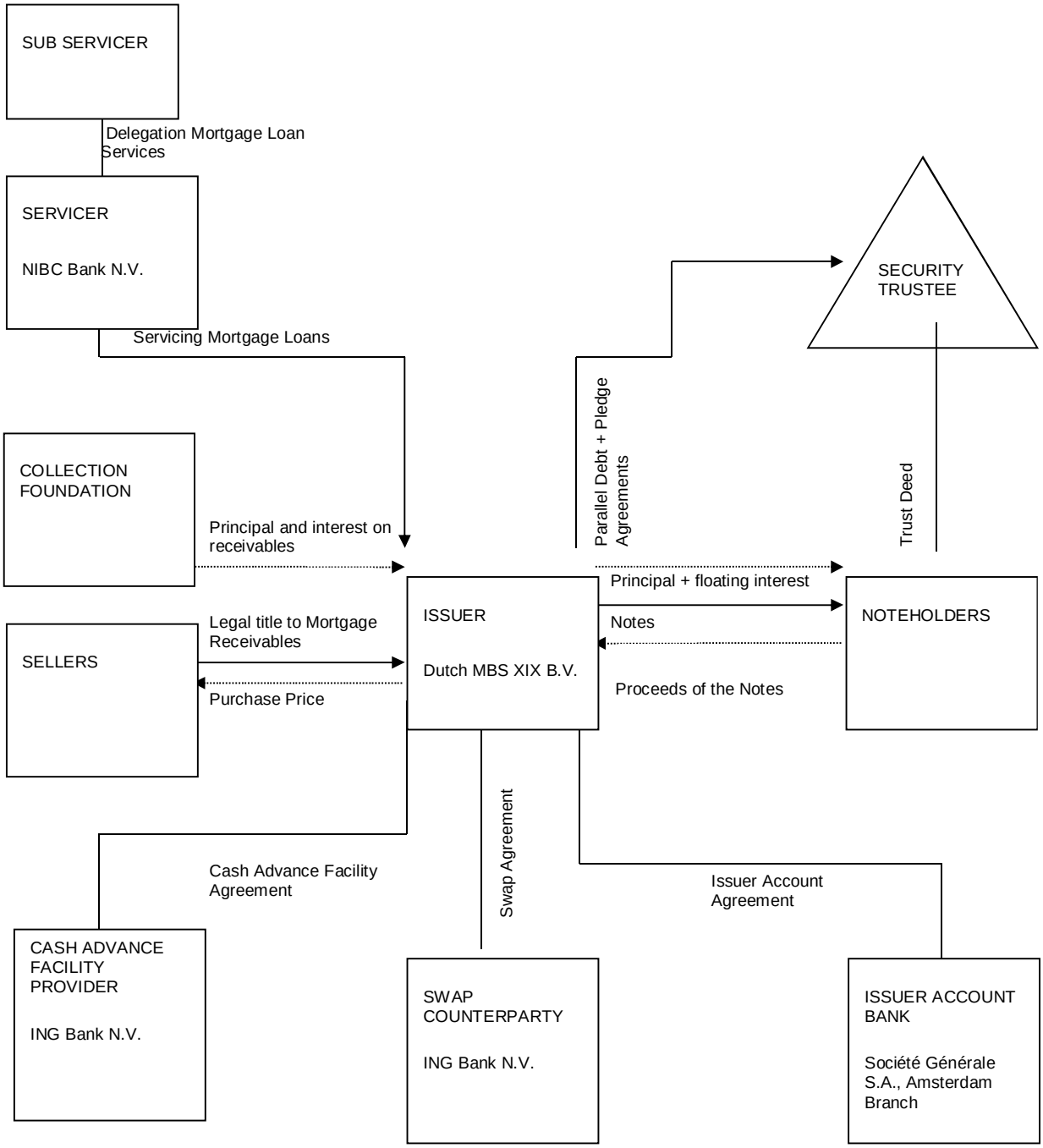
This overview must be read as an introduction to this Prospectus and any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole, including any supplement thereto.

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

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

1.1 STRUCTURE DIAGRAM

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



1.2 RISK FACTORS

There are certain factors which prospective Noteholders should take into account. These risk factors relate to, *inter alia*, the Notes. One of these risk factors concerns the fact that the liabilities of the Issuer under the Notes are limited recourse obligations whereby the ability of the Issuer to meet such obligations will be dependent on the receipt by it of funds under the Mortgage Receivables, the proceeds of the sale of any Mortgage Receivables and the receipt by it of other funds. Despite certain facilities, there remains a credit risk, liquidity risk, prepayment risk, maturity risk and interest rate risk relating to the Notes. Moreover, there are certain structural, legal and tax risks relating to the Mortgage Receivables and the Mortgaged Assets (see section 2 (*Risk Factors*)).

1.3 PRINCIPAL PARTIES

Issuer:	Dutch MBS XIX B.V., incorporated under Dutch law as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), having its corporate seat in Amsterdam and registered with the Commercial Register of the Chamber of Commerce under number 72724005. The entire issued share capital of the Issuer is held by the Shareholder.
Shareholder:	Stichting Dutch MBS XIX Holding, established under Dutch law as a foundation (*stichting*), having its corporate seat in Amsterdam and registered with the Commercial Register of the Chamber of Commerce under number 72702230.
Security Trustee:	Stichting Security Trustee Dutch MBS XIX, established under Dutch law as a foundation (*stichting*), having its corporate seat in Amsterdam and registered with the Commercial Register of the Chamber of Commerce under number 72667303.
Sellers:	Hypinvest B.V., incorporated under Dutch law as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), having its corporate seat in The Hague and registered with the Commercial Register of the Chamber of Commerce under number 27169419; NIBC Direct Hypotheken B.V., incorporated under Dutch law as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), having its corporate seat in The Hague and registered with the Commercial Register of the Chamber of Commerce under number 53084179; All outstanding shares in the capital of each of the Sellers are indirectly held by NIBC.
Servicer:	NIBC Bank N.V., incorporated under Dutch law as a public company (*naamloze vennootschap*) having its corporate seat in The Hague and registered with the Commercial Register of the Chamber of Commerce under number 27032036. The Servicer will initially appoint Stater Nederland B.V. as the Sub-servicer to provide certain of the Mortgage Loan Services in respect of the Mortgage Receivables.
Sub-servicer:	Stater Nederland B.V., incorporated under Dutch law as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), having its corporate seat in Amersfoort and registered with the Commercial Register of the Chamber of Commerce under number 08716725;
Issuer Administrator:	NIBC.
Cash Advance Facility Provider:	ING Bank N.V. incorporated under Dutch law as a public company (*naamloze vennootschap*), having its corporate seat in Amsterdam and registered with the Commercial Register of the Chamber of Commerce under number 33031431.

Swap Counterparty:	ING Bank N.V.
Issuer Account Bank:	Société Générale S.A., Amsterdam Branch, incorporated under the laws of the French Republic as a Société Anonyme, acting through its Amsterdam Branch.
Collection Foundation:	Stichting Ontvangsten Hypotheekgelden, established under the laws of the Netherlands as a foundation (*stichting*), having its corporate seat in The Hague and registered with the Commercial Register of the Chamber of Commerce under number 34293367.
Previous Transaction Security Trustees:	Stichting Security Trustee Essence V, Stichting Security Trustee Essence VI, Stichting Security Trustee Essence VII and Stichting Security Trustee NIBC Conditional Pass-Though Covered Bond Company.
Previous Transaction SPVs:	Essence V B.V., Essence VI B.V., Essence VII B.V., NIBC Conditional Pass-Though Covered Bond Company B.V., Largo 2, a compartment of Residential Mortgage Fund, a fonds commun de titrisation à compartiments, Largo 3, a compartment of Residential Mortgage Fund, a fonds commun de titrisation à compartiments, Largo A, a compartment of Residential Mortgage Fund, a fonds commun de titrisation à compartiments, Largo B, a compartment of Residential Mortgage Fund, a fonds commun de titrisation à compartiments, Largo 4, a compartment of Residential Mortgage Fund, a fonds commun de titrisation à compartiments and Largo 5, a compartment of Residential Mortgage Fund, a fonds commun de titrisation à compartiments.
Directors:	Intertrust Management B.V., the sole director of the Issuer and of Stichting Dutch MBS XIX Holding and TMF Management B.V., the sole director of the Security Trustee, having their corporate seat in Amsterdam, the Netherlands and registered with the Commercial Register of the Chamber of Commerce under number 33226415 and number 33203015, respectively.
Paying Agent:	Citibank N.A. London Branch.
Reference Agent:	NIBC.
Listing Agent:	NIBC.
Arranger:	NIBC.
Managers:	In respect of the Class A Notes, NIBC, ING Bank N.V., Coöperatieve Rabobank U.A. and Société Générale S.A., being the Class A Managers, and in respect of the Subordinated Notes, NIBC, being the Subordinated Notes Manager.
Common Safekeeper:	In respect of the Class A Notes, Euroclear or Clearstream, Luxembourg and in respect of the Subordinated Notes, Citibank.

1.4 NOTES

Certain features of the Notes are summarised below (see for a further description section 4 (*The Notes*)):

	Class A	**Class B**	**Class C**	**Class D**	**Class E**
Principal Amount	EUR 447,300,000	EUR 8,100,000	EUR 9,900,000	EUR 10,900,000	EUR 4,700,000
Issue Price	100 per cent.	100 per cent.	100 per cent.	100 per cent.	100 per cent.
Interest rate until (but excluding) the First Optional Redemption Date	three month Euribor plus 0.41 per cent. per annum	three month Euribor plus 0.80 per cent. per annum	three month Euribor plus 1.50 per cent. per annum	three month Euribor plus 1.75 per cent. per annum	three month Euribor plus 2.00 per cent. per annum
Interest rate from (and including) the First Optional Redemption Date	three month Euribor plus 0.82 per cent. per annum	three month Euribor plus 0.00 per cent. per annum	three month Euribor plus 0.00 per cent. per annum	three month Euribor plus 0.00 per cent. per annum	three month Euribor plus 0.00 per cent. per annum
Expected ratings (Fitch / Moody's)	'AAA' sf / 'Aaa (sf)'	'A+' sf / 'Aa1 (sf)'	'A+' sf / 'Aa1 (sf)'	'A-' sf / 'A1'(sf)'	NR
First Notes Payment Date	February 2019	February 2019	February 2019	February 2019	February 2019
First Optional Redemption Date	Notes Payment Date falling in November 2023	Notes Payment Date falling in November 2023	Notes Payment Date falling in November 2023	Notes Payment Date falling in November 2023	Notes Payment Date falling in November 2023
Final Maturity Date	November 2050	November 2050	November 2050	November 2050	November 2050

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

(i) the Class A Notes;
(ii) the Class B Notes;
(iii) the Class C Notes;
(iv) the Class D Notes; and
(v) the Class E Notes.

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

(i) the Class A Notes 100 per cent.;
(ii) the Class B Notes 100 per cent.;
(iii) the Class C Notes 100 per cent.;
(iv) the Class D Notes 100 per cent.; and
(v) the Class E Notes 100 per cent.

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

Denomination: The Notes will be issued in denominations of EUR 100,000.

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

See further section 4.1 (*Terms and Conditions*).

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

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

Interest on the Notes for each Interest Period will accrue from the Closing Date at an annual rate equal to the sum of Euribor for three (3) month deposits in EUR (determined in accordance with Condition 4) (or, in respect of the first Interest Period, the rate which represents the linear interpolation of Euribor for one (1) and three (3) month deposits in EUR), plus a margin which up to (but excluding) the First Optional Redemption Date, will be:

(i) for the Class A Notes, a margin of 0.41 per cent. per annum;
(ii) for the Class B Notes, a margin of 0.80 per cent. per annum;
(iii) for the Class C Notes, a margin of 1.50 per cent. per annum;
(iv) for the Class D Notes, a margin of 1.75 per cent. per annum; and

(v) for the Class E Notes, a margin of 2.00 per cent. per annum.

Interest Step-Up: If on the First Optional Redemption Date the relevant Class of Notes has not been redeemed in full, the rate of interest applicable for the Notes will accrue at an annual rate equal to the sum of Euribor for three (3) month deposits in EUR determined in accordance with Condition 4, plus a margin which will be:

(i) for the Class A Notes, a margin of 0.82 per cent. per annum;
(ii) for the Class B Notes, a margin of 0.00 per cent. per annum;
(iii) for the Class C Notes, a margin of 0.00 per cent. per annum;
(iv) for the Class D Notes, a margin of 0.00 per cent. per annum; and
(v) for the Class E Notes, a margin of 0.00 per cent. per annum.

Mandatory Redemption of the Notes: The Issuer will be obliged to apply the Available Principal Redemption Funds to (partially) redeem the Notes, other than the Class E Notes, on the first Notes Payment Date falling in February 2019 and each Notes Payment Date thereafter at their respective Principal Amount Outstanding, on a *pro rata* basis within a Class, in the following order:

(a) *first*, the Class A Notes, until fully redeemed; and
(b) *second*, the Class B Notes, until fully redeemed; and
(c) *third*, the Class C Notes, until fully redeemed; and
(d) *fourth*, the Class D Notes, until fully redeemed.

The Class E Notes will be subject to mandatory partial redemption on the first Notes Payment Date falling in February 2019 and on each Notes Payment Date thereafter in the limited circumstances as described in the Conditions.

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

Final Maturity Date: If and to the extent not otherwise redeemed, the Issuer will redeem the Notes at their respective Principal Amount Outstanding on the Final Maturity Date and for the Subordinated Notes subject to Condition 9(b).

Average life: The estimated average life of the Notes, other than the Class E Notes, on the Closing Date based on a CPR of 8 per cent. and the assumption that the Issuer will redeem the Notes on the First Optional Redemption Date will be as follows:

(i) the Class A Notes 3.92 years;
(ii) the Class B Notes 5.00 years;
(iii) the Class C Notes 5.00 years; and
(iv) the Class D Notes 5.00 years.

The average lives of the Notes given above should be viewed with caution; reference is made to the paragraph '*Risk related to*

prepayments on the Mortgage Loans' in section 2 (*Risk Factors*).

Regulatory Call Option: In the event of the occurrence of a Regulatory Change, the Issuer may, if so directed by NIBC, the sole (indirect) shareholder of the Sellers, redeem all (but not some only) of the Notes, other than the Class E Notes, on any Notes Payment Date at their Principal Amount Outstanding on such date, together with interest accrued up to and including the date of redemption, subject to, in respect of the Subordinated Notes, Condition 9(b). The Sellers have undertaken in the Mortgage Receivables Purchase Agreement to repurchase and accept reassignment of the Relevant Mortgage Receivables, if the Issuer upon the direction of NIBC exercises the Regulatory Call Option, or alternatively the Sellers may appoint a third party at their discretion and the Issuer has undertaken in the Mortgage Receivables Purchase Agreement to sell and assign the Mortgage Receivables to such third party. The purchase price will be calculated as described in the paragraph '*Sale of Mortgage Receivables*' in section 7.1 (*Purchase, repurchase and sale*).

Clean-Up Call Option: If on any Notes Payment Date the aggregate Outstanding Principal Amount of the Mortgage Receivables is not more than ten (10) per cent. of the aggregate Outstanding Principal Amount of the Mortgage Receivables on the Closing Date, the Issuer has the option (but not the obligation) to redeem all (but not some only) of the Notes, other than the Class E Notes, at their Principal Amount Outstanding, subject to, in respect of the Subordinated Notes, Condition 9(b). The purchase price will be calculated as described in the paragraph '*Sale of Mortgage Receivables*' in section 7.1 (*Purchase, repurchase and sale*).

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

Retention and disclosure requirements under the CRR, the AIFMR and the Solvency II Regulation: In respect of the issue of the Notes NIBC and with respect to each Seller, in its capacity as allowed entity under paragraph 2 of article 405 of the CRR, or any entity designated by NIBC as allowed entity under paragraph 2 of article 405 of the CRR, shall retain, on an ongoing basis, a material net economic interest of not less than five (5) per cent. in the securitisation transaction described in this Prospectus in accordance with article 405(1)(d) CRR, article 51(1)(d) AIFMR and article 254(2)(d) Solvency II Regulation and, when applicable article 6(3)(d) of the Securitisation Regulation, and such material net economic interest, including retained positions, interest or exposures, shall not be subject to any credit risk mitigation or any short positions or any other hedge and shall not be sold.

On the Closing Date, such material net economic interest will be held in accordance with article 405(1)(d) CRR, article 51(1)(d) AIFMR and article 254(2)(d) and 256 Solvency II Regulation and, when applicable article 6(3)(d) of the Securitisation Regulation, by holding (a part of) the most junior class of the Subordinated Notes and, if necessary, other tranches of Notes having the same or a more severe risk profile than those transferred or sold to investors and not maturing any earlier than those transferred or sold to investors, so that the retention equals in total no less than five (5) per cent. of the nominal value of the Notes issued under this Prospectus.

In addition, each Seller has undertaken in the Notes Purchase Agreements to make available to Noteholders all materially relevant information that such Noteholders may require to comply with their obligations under articles 405 up to and including 409 of the CRR, articles 51 and 52 (a) up to and including (d) of the AIFMR and article 254 and 256 paragraph (3) sub (a) up to and including sub (c) and sub (e) of the Solvency II Regulation and, if and when applicable, article 5 of the Securitisation Regulation, which information can be obtained from each Seller upon request and will be made available with each Investor Report, including to make appropriate disclosures, or to procure that appropriate disclosures are made, to Noteholders about the retained material net economic interest in this securitisation and to ensure that the Noteholders have readily available access to all materially relevant data for such purposes.

U.S. Risk Retention undertaking:

The U.S. Risk Retention Rules generally require the "securitizer" of a "securitization transaction" to retain at least 5 per cent. of the "credit risk" of "securitized assets", as such terms are defined for purposes of U.S. Risk Retention Rules, and generally prohibit a securitizer from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the securitizer is required to retain. The U.S. Risk Retention Rules also provide for certain exemptions from the risk retention obligations.

NIBC does not intend to retain at least 5 per cent. of the credit risk of the securitised assets for purposes of compliance with the U.S. Risk Retention Rules, but rather intends to rely on a 'foreign securitization safe harbour' exemption for non-U.S. transactions provided for in Section 246.20 of the U.S. Risk Retention Rules regarding non-U.S. transactions that meet certain requirements. Consequently, the Notes may not be purchased by any person, except for persons that are not U.S. Risk Retention Persons. Prospective investors should note that the definition of "U.S. person" in the U.S. Risk Retention Rules is different from the definition of "U.S. person" in Regulation S.

The Notes sold as part of the initial distribution of the Notes may not be purchased by any person except for persons that are not U.S. Risk Retention Persons. Each purchaser of Notes, including beneficial interests in such Notes will, by its acquisition of a Note or a beneficial interest in a Note, be deemed, and in certain circumstances will be required, to have made the following representations: that it (1) is not a U.S. Risk Retention Person, (2) is acquiring such Notes or a beneficial interest in such Notes for its own account and not with a view to distribute such Notes, or, in the case of a distributor, will only distribute such Notes to a person who is not a U.S. Risk Retention Person, and (3) is not acquiring such Notes or a beneficial interest in such Notes as

part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-U.S. Risk Retention Person, rather than a U.S. Risk Retention Person, as part of a scheme to evade the 10 per cent. U.S. Risk Retention Person limitation in the exemption provided for under Section 246.20 of the U.S. Risk Retention Rules).

The Managers, nor any of their respective affiliates makes any representation to any prospective investor or purchaser of the Notes as to whether the transactions described in this Prospectus comply as a matter of fact with the U.S. Risk Retention Rules on the Closing Date or at any time in the future. Investors should consult their own advisers as to the U.S. Risk Retention Rules. No predictions can be made as to the precise effects of such matters on any investor or otherwise. The Managers will not have any liability for compliance with the U.S. Risk Retention Rules by the Issuer or the Sellers or any other person.

Use of proceeds: The Issuer will use the net proceeds from the issue of the Notes, other than the Class E Notes, to pay part of the Initial Purchase Price for the Mortgage Receivables, pursuant to the provisions of the Mortgage Receivables Purchase Agreement made between the Sellers, the Issuer and the Security Trustee and the proceeds of the Class E Notes will be deposited on the Reserve Account.

Withholding Tax: All payments of, or in respect of, principal of and interest on the Notes will be made without withholding of, or deduction for, or on account of any present or future taxes, duties, assessments or charges of whatever nature imposed or levied by or on behalf of the Netherlands or any other jurisdiction, 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.

FATCA Withholding: If an amount in respect of FATCA Withholding were to be deducted or withheld either from amounts due to the Issuer or from interest, principal or other payments made in respect of the Notes, neither the Issuer nor the Paying Agent nor any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of such deduction or withholding.

Method of Payment: For so long as the Notes are represented by a Global Note, payments of principal and interest on the Notes will be made in euros to the Common Safekeeper for Euroclear and/or Clearstream, Luxembourg for the credit of the respective accounts of the Noteholders.

Security for the Notes: The Notes will be secured by:

(i) a first ranking undisclosed right of pledge by the Issuer in favour of the Security Trustee over (a) the Mortgage Receivables, including all rights ancillary thereto and (b) the Beneficiary Rights; and

(ii) a first ranking disclosed right of pledge by the Issuer in favour of the Security Trustee over the Issuer Rights.

After delivery of an Enforcement Notice, the amounts payable to the

	Noteholders and the other Secured Creditors will be limited to the amounts available for such purpose to the Security Trustee which, *inter alia*, will consist of amounts recovered by the Security Trustee in respect of such rights of pledge and amounts received by the Security Trustee as creditor under the Parallel Debt Agreement. Payments to the Secured Creditors will be made in accordance with the Post-Enforcement Priority of Payments. See further section 5 (*Credit Structure*) and section 4.7 (*Security*). In addition, the Collection Foundation shall grant a first right of pledge on the balance standing to the credit of the relevant Collection Foundation Account in favour of the Issuer and the Previous Transaction SPVs jointly, and the Issuer and the Previous Transaction SPVs by way of repledge create a first ranking right of pledge in favour of the Security Trustee and the Previous Transaction Security Trustees each subject to the agreement that future issuers (and any future security trustees relating thereto) in securitisation transactions and future vehicles in conduit transactions or similar transactions initiated by NIBC will also have the benefit of a right of pledge and agree to cooperate to facilitate the creation of such security. Such rights of pledge will be notified to the Foundation Accounts Provider.
Parallel Debt Agreement:	On the Signing Date, the Issuer and the Security Trustee will – among others – enter into the Parallel Debt Agreement for the benefit of the Secured Creditors under which the Issuer shall, by way of parallel debt, undertake to pay to the Security Trustee amounts equal to the amounts due by it to the Secured Creditors, in order to create a claim of the Security Trustee thereunder which can be validly secured by the rights of pledge created by the Pledge Agreements.
Paying Agency Agreement:	On the Signing Date the Issuer will enter into the Paying Agency Agreement with the Paying Agent and the Reference Agent pursuant to which the Paying Agent undertakes, *inter alia*, to perform certain payment services on behalf of the Issuer towards the Noteholders.
Listing:	Application has been made to Euronext Amsterdam for the Notes (excluding the Class E Notes), to be admitted to the official list and trading on its regulated market. The Class E Notes will not be listed.
Credit ratings:	It is a condition precedent to issuance that the Class A Notes, on issue, be assigned an 'AAA' sf rating by Fitch and an 'Aaa (sf)' rating by Moody's, the Class B Notes, on issue, be assigned an 'A+' sf rating by Fitch and an 'Aa1 (sf)' rating by Moody's, the Class C Notes, on issue, be assigned an 'A+' sf rating by Fitch and an 'Aa1 (sf)' rating by Moody's and the Class D Notes, on issue, be assigned an 'A-' sf rating by Fitch and an 'A1 (sf)' rating by Moody's. Credit ratings included or referred to in this Prospectus have been issued by Fitch and Moody's, each of which is established in the European Union and is registered under the CRA Regulation. The Class E Notes will not be assigned a credit rating.
Settlement:	Euroclear and/or Clearstream, Luxembourg.
Governing Law:	The Notes will be governed by and construed in accordance with Dutch law.

Selling Restrictions:	There are selling restrictions in relation to the European Economic Area, the Netherlands, France, Italy, the United Kingdom and the United States and such other restrictions as may be required in connection with the offering and sale of the Notes. See section 4.3 (*Subscription and Sale*).

1.5 CREDIT STRUCTURE

Available Funds: The Issuer will use receipts of principal and interest in respect of the Mortgage Receivables together with amounts it receives under the Cash Advance Facility Agreement, the Swap Agreement, drawings from the Reserve Account and the amounts it receives on the Issuer Collection Account, to make payments of, inter alia, principal and interest due in respect of the Notes.

Priority of Payments: The obligations of the Issuer in respect of the Notes will rank subordinated to the obligations of the Issuer in respect of certain items set forth in the applicable Priority of Payments (see section 5 (*Credit Structure*) and the right to payment of interest and principal on the Subordinated Notes will be subordinated to the Class A Notes and limited as more fully described herein under section 5 (*Credit Structure*) and section 4.1 (*Terms and Conditions*).

Swap Agreement: On the Signing Date, the Issuer will enter into a Swap Agreement with the Swap Counterparty to hedge the interest rate risk between (a) interest to be received by the Issuer on the Mortgage Receivables and (b) the floating rate of interest due and payable by the Issuer on the Notes, other than the Class E Notes. The interest rate on the Class E Notes will not be hedged. See section 5 (*Credit Structure*).

Cash Advance Facility Agreement: On the Signing Date, the Issuer will enter into the Cash Advance Facility Agreement with a maximum term of 364 days with the Cash Advance Facility Provider under which the Issuer will be entitled to make drawings in order to meet certain shortfalls in its available revenue receipts. See section 5 (*Credit Structure*).

Issuer Accounts: The Issuer shall maintain with the Issuer Account Bank the following accounts:

(i) an account to which on each Mortgage Collection Payment Date, *inter alia,* all amounts received in respect of the Mortgage Receivables will be transferred by the Servicer in accordance with the Servicing Agreement (the "**Issuer Collection Account**");

(ii) an account to which, on the Closing Date, the proceeds of the Class E Notes, and on each Notes Payment Date, certain amounts to the extent available in accordance with the Revenue Priority of Payments, will be transferred (the "**Reserve Account**");

(iii) an account to which, on the Closing Date and on each Notes Payment Date, an amount equal to the aggregate Construction Deposits, if any, will be transferred in accordance with the Mortgage Receivables Purchase Agreement (the "**Construction Deposit Account**");

(iv) an account to which the Cash Advance Facility Stand-by Drawing will be transferred (the "**Cash Advance Facility Stand-by Drawing Account**"); and

(v) an account to which only collateral pursuant to the Swap Agreement will be transferred (the "**Swap Collateral**

Account").

Collection Foundation Accounts:	All payments made by the Borrowers in respect of the Mortgage Loans will be paid into the Collection Foundation Accounts.
Issuer Account Agreement:	On the Signing Date the Issuer will enter into the Issuer Account Agreement with the Issuer Account Bank and the Security Trustee, under which the Issuer Account Bank agrees to pay a guaranteed interest rate determined by reference to EONIA, on the balance standing to the credit of each of the Issuer Accounts from time to time. If at any time, such guaranteed interest rate determined by reference to EONIA would result in a negative interest rate, the Issuer Account Bank has the right to charge such negative interest. See section 5.6 (*Issuer Transaction Accounts*).
Administration Agreement:	Under the Administration Agreement between the Issuer, the Issuer Administrator and the Security Trustee, the Issuer Administrator will agree to (a) 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) submit certain statistical information regarding the Issuer as referred to above to certain governmental authorities if and when requested.

1.6 PORTFOLIO INFORMATION

Stratifications

1. Key Characteristics

Description	As per Reporting Date	As per Closing Date
Principal amount	476,199,989.21	
Value of savings deposits	0.00	
Net principal balance	476,199,989.21	
Construction Deposits	1,413,083.34	
Net principal balance excl. Construction and Saving Deposits	474,786,905.87	
Negative balance	0.00	0.00
Net principal balance excl. Construction and Saving Deposits and Negative Balance	474,786,905.87	0.00
Number of loans	2,502	0
Number of loanparts	4,241	
Number of negative loanparts	0	0
Average principal balance (borrower)	190,327.73	0.00
Weighted average current interest rate	3.19%	
Weighted average maturity (in years)	24.25	
Weighted average remaining time to interest reset (in years)	9.92	0.00
Weighted average seasoning (in years)	5.50	
Weighted average CLTOMV	79.70%	
Weighted average CLTIMV	69.54%	
Weighted average CLTIFV	81.09%	
Weighted average OLTOMV	85.47%	

Mortgage Loans:

Under the Mortgage Receivables Purchase Agreement, the Issuer will purchase from the relevant Seller the Relevant Mortgage Receivables, which may also include NHG Mortgage Loan Receivables. The Mortgage Receivables will result from Mortgage Loans secured by a mortgage right over Mortgaged Assets which meet the criteria set forth in the Mortgage Receivables Purchase Agreement and which will be selected prior to or on the Closing Date (or at the relevant Notes Payment Date as the case may be).

The pool of Mortgage Loans (or any Loan Parts (*leningdelen*) comprising a Mortgage Loan) may consist of Interest-only Mortgage Loans (*aflossingsvrije hypotheken*), Investment Mortgage Loans (*beleggingshypotheken*), Life Mortgage Loans (*levenhypotheken*), Linear Mortgage Loans (*lineaire hypotheken*), Annuity Mortgage Loans (*annuïteiten hypotheken*) and Mortgage Loans which combine any of the abovementioned types of Mortgage Loans.

All Mortgage Loans are secured by a first ranking or first and sequentially lower ranking mortgage right and were vested for a principal sum which is at least equal to the principal sum of the Mortgage Loan when originated, increased with interest, penalties, costs and any insurance premium. Mortgage Loans may consist of one or more Loan Parts. If a Mortgage Loan consists of one or more Loan Parts, the relevant Seller shall sell and assign and the Issuer shall purchase and accept the assignment of all, but not some only, the Loan Parts comprising such Mortgage Loan at the Closing Date (or at the relevant Notes Payment Date as the case may be). See section 6.2

	(*Description of Mortgage Loans*). The Mortgage Loans have characteristics that demonstrate the capacity to produce funds to service any payments due and payable under the Notes.
NHG Guarantee:	Certain Mortgage Loans may be NHG Mortgage Loans. The aggregate Outstanding Principal Amount of the NHG Mortgage Loan Receivables on the Cut-Off Date amounts to EUR 155,240,515.65. See further section 6.2 (*Description of Mortgage Loans*) and section 6.5 (*NHG Guarantee Programme*).
Risk Insurance Policies:	With the exception of Mortgage Loans originated by NIBC Direct Hypotheken and Mortgage Loans originated from June 2013, each Mortgage Loan shall have the benefit of a Risk Insurance Policy in the event and to the extent the relevant Mortgage Loan exceeds 100 per cent. of the foreclosure value of the Mortgaged Asset. Each Mortgage Loan originated by NIBC Direct Hypotheken and Mortgage Loans originated from June 2013, shall have the benefit of a Risk Insurance Policy in the event and to the extent the relevant Mortgage Loan exceeds 80 per cent. of the market value of the Mortgaged Asset. In the case of a Mortgage Loan of which one or more Loan Parts include a Life Mortgage Loan such Risk Insurance Policy will be included in the relevant Life Insurance Policy (see below).
Life Mortgage Loans:	A portion of the Mortgage Loans (or parts thereof) will be in the form of Life Mortgage Loans, i.e. Mortgage Loans or parts thereof which have the benefit of Life Insurance Policies taken out by Borrowers with an Insurance Company. In respect of a Life Mortgage Loan, the Borrower is not required to repay principal until maturity, but instead pays on a monthly basis a premium to the relevant Insurance Company. The Life Insurance Policies are offered in the following alternatives by the Insurance Companies. The Borrower has the choice between (i) a guaranteed amount to be received when the Life Insurance Policy pays out, (ii) the Unit-Linked Alternative or (iii) a combination of (i) and (ii), in which case the Borrower has the option to switch between the Unit-Linked Alternative and the guaranteed amount. "**Unit-Linked Alternative**" means the alternative under which the amount to be received upon pay out of the Life Insurance Policy depends on the performance of certain investment funds chosen by the Borrower. The Life Insurance Policies are pledged to the relevant Seller as security for repayment of the relevant Life Mortgage Loan. See section 2 (*Risk Factors*) and section 6.2 (*Description of the Mortgage Loans*).
Investment Mortgage Loans:	A portion of the Mortgage Loans (or parts thereof) will be in the form of Investment Mortgage Loans. Under an Investment Mortgage Loan the Borrower is not required to repay principal until maturity of the Mortgage Loan, but undertakes to invest on an instalment basis or by means of a lump sum investment an agreed amount in certain investment funds through a Borrower Investment Account. It is the intention that the Investment Mortgage Loans will be fully or partially repaid by means of the proceeds of these investments. The rights under these investments are pledged to the relevant Seller as security for repayment of the relevant Investment Mortgage Loan. See section 2 (*Risk Factors*) and section 6.2 (*Description of the*

Mortgage Loans).

Interest-only Mortgage Loans:

A portion of the Mortgage Loans (or parts thereof) will be in the form of Interest-only Mortgage Loans. Under an Interest-only Mortgage Loan, the Borrower is not obliged to pay principal towards redemption of the relevant Mortgage Loan (or relevant Loan Part thereof) until maturity. Interest is payable monthly and is calculated on the outstanding balance of the Mortgage Loan (or relevant Loan Part thereof). Interest-only Mortgage Loans may have been granted up to an amount equal to 100 per cent. of the Foreclosure Value of the Mortgaged Asset at the time of origination, except for NHG Mortgage Loans, for which Interest-only Mortgage Loan Parts may have been granted up to an amount equal to 50 per cent. of the Foreclosure Value of the Mortgaged Asset.

See section 6.2 (*Description of the Mortgage Loans*).

Annuity Mortgage Loans:

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

See section 6.2 (*Description of the Mortgage Loans*).

Linear Mortgage Loans:

A portion of the Mortgage Loans (or parts thereof) will be in the form of Linear Mortgage Loans. A Linear Mortgage Loan is a mortgage loan or part thereof in respect of which the Borrower pays on a monthly basis a fixed amount of principal towards redemption of such mortgage loan (or relevant part thereof) until maturity, such that at maturity the entire mortgage loan will be redeemed. The Borrower's payment obligation decreases with each payment as interest owed under such Linear Mortgage Loan declines over time.

See section 6.2 (*Description of the Mortgage Loans*).

Construction Deposits:

The Construction Deposits are deposited on an account of the relevant Borrower with the relevant Seller which is pledged to such Seller and will be paid out in case certain conditions are met. The Issuer and the Sellers 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 Deposits as per the Closing Date or, in case of a purchase and assignment of New Mortgage Receivables, on the relevant purchase date. Such amounts will be deposited on the Construction Deposit Account. On each Notes Payment Date, the Issuer will release from the Construction Deposit Account such part of the Initial Purchase Price which equals the difference between the aggregate Construction Deposits and the balance standing to the credit of the Construction Deposit Account and pay such amount to the relevant Seller.

Pursuant to the Mortgage Conditions in respect of the Mortgage Loans, Construction Deposits have to be paid out within 6 to 24 months (depending on the product). After such period, any remaining Construction Deposits, if the Construction Deposit exceeds EUR 7,500 respectively 2,500, as the case may be (depending on the applicable Mortgage Conditions), will be set-off against the Mortgage Receivable,

up to the amount of the remaining Construction Deposit, in which case the Issuer shall have no further obligation towards the Sellers to pay the remaining relevant part of the Initial Purchase Price and an amount equal to such part of the Initial Purchase Price will be debited from the Construction Deposit Account on the first following Notes Payment Day and will form part of the Available Principal Funds.

1.7 PORTFOLIO DOCUMENTATION

Mortgage Receivables:

Under the Mortgage Receivables Purchase Agreement, the Issuer will on the Signing Date purchase and on the Closing Date accept the assignment of the Mortgage Receivables of each Seller, which will include, after the Closing Date, any New Mortgage Receivables upon the purchase and acceptance of the assignment thereof), against the Borrowers under or in connection with certain pre-selected Mortgage Loans. The Issuer will be entitled to the principal proceeds of the Mortgage Receivables from (and including) the Cut-Off Date and to the interest proceeds (including Prepayment Penalties) from (and including) the Closing Date. The Issuer will be entitled to the principal proceeds including interest proceeds (including Prepayment Penalties) of the New Mortgage Receivables from (and including) the first day of the month immediately preceding the relevant Notes Payment Date on which such New Mortgage Receivables are purchased.

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

Repurchase of Mortgage Receivables:

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

(i) the expiration of the relevant remedy period (as provided for in the Mortgage Receivables Purchase Agreement), if any of the representations and warranties given by such Seller in respect of the Relevant Mortgage Loans and the Relevant Mortgage Receivables, including the representation and warranty that the Relevant Mortgage Loans or, as the case may be, the Relevant Mortgage Receivables meet the Mortgage Loan Criteria, are untrue or incorrect in any material respect; or

(ii) the date on which the relevant Seller agrees with a Borrower to grant a Further Advance; or

(iii) the date on which the relevant Seller obtains or acquires an Other Claim in respect of such Relevant Mortgage Receivable vis-à-vis the relevant Borrower; or

(iv) the date on which the relevant Seller agrees with a Borrower to a Mortgage Loan Amendment, provided that if such amendment is made as part of the enforcement procedures to be complied with upon a default by the Borrower under the Relevant Mortgage Loan or is otherwise made as part of a restructuring or renegotiation of such Relevant Mortgage Loan due to a deterioration of the credit quality of the Borrower of such Relevant Mortgage Loan, such Seller shall not repurchase such Relevant Mortgage Receivable; or

(v) in respect of an NHG Mortgage Loan Receivable the date on which it appears that (i) a Relevant Mortgage Loan or the

relevant loan part no longer has the benefit of an NHG Guarantee as a result of an action taken or omitted to be taken by the relevant Seller or the Servicer, provided that the relevant Seller shall not be obliged to repurchase such Relevant Mortgage Receivable if following a claim made under an NHG Guarantee, Stichting WEW does not pay the full amount of such Relevant Mortgage Receivable due to (a) the difference in the redemption structure of such Relevant Mortgage Loan or the relevant loan part and the redemption structure set forth in the NHG Conditions or (b) the higher than expected foreclosure costs which are outside the control of the Servicer or (c) the occurrence of any other events not attributable to misconduct by or negligence of the Servicer and/or (ii) a Seller, while it is entitled to make a claim under the NHG guarantee relating to such Relevant Mortgage Loan or the relevant loan part, will not make such claim.

The purchase price for the Relevant Mortgage Receivable in such event will be equal to the Outstanding Principal Amount, together with due and overdue interest and reasonable costs, if any (including any costs incurred by the Issuer in effecting and completing such purchase and assignment), accrued up to (but excluding) the date of repurchase and reassignment of the Relevant Mortgage Receivable. In the event of a repurchase set forth in item (v) above, the purchase price shall be equal to the amount that was not reimbursed under the relevant NHG Guarantee as a result of an action taken or omitted to be taken by the relevant Seller or the Servicer.

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

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

In case the proceeds of any such repurchase of Mortgage Receivables are not applied towards the purchase of New Mortgage Receivables on the relevant Notes Payment Date such proceeds will be available for redemption of the Notes. See section 7.4 (*Portfolio Conditions*).

Sellers Clean-Up Call Option: On each Notes Payment Date the Sellers, acting jointly, have the option (but not the obligation) to exercise the Sellers Clean-Up Call Option, if on the Notes Calculation Date immediately preceding such Notes Payment Date the aggregate Outstanding Principal Amount of the Mortgage Receivables is not more than 10 per cent. of the aggregate Outstanding Principal Amount of the Mortgage Receivables on the Closing Date.

The Issuer has undertaken in the Mortgage Receivables Purchase Agreement to sell and assign the Relevant Mortgage Receivables to the relevant Seller(s), or any third party appointed by the relevant Seller at its sole discretion, in case the Sellers exercise the Sellers Clean-Up Call

Option. The proceeds of such sale shall be applied by the Issuer towards redemption of the Notes subject to and in accordance with the Conditions, including for the avoidance of doubt, Condition 9(b). The purchase price calculated will be as described in paragraph '*Sale of Mortgage Receivables*' below.

Sale of Mortgage Receivables:

On each Optional Redemption Date, the Issuer may sell and assign all, but not some, of the Mortgage Receivables to a third party provided that the Issuer shall apply the proceeds of such sale, to the extent relating to principal, to redeem the Notes, other than the Class E Notes, in full, subject to, in respect of the Subordinated Notes, Condition 9(b). If the Issuer decides to offer for sale the Mortgage Receivables, it will first offer such Mortgage Receivables to the relevant Sellers and if any Seller does not accept such offer within fourteen (14) Business Days after receipt of such notice, the Issuer shall instruct the Issuer Administrator to select within thirty (30) calendar days one or more third parties to make a binding offer to purchase the Mortgage Receivables.

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

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

The purchase price of each Mortgage Receivable in the event of a Sellers Clean-Up Call Option, Clean-Up Call Option, Regulatory Call Option, Tax Call Option or redemption on an Optional Redemption Date, shall be at least equal to the relevant Outstanding Principal Amount at such time, increased with interest due but not paid and reasonable costs relating thereto, except that with respect to Defaulted Mortgage Loans, the purchase price shall be at least the lesser of (i) the sum of (a) an amount equal to the Indexed Foreclosure Value of such Mortgaged Assets and (b) the value of all other collateral and (c) with respect to the NHG Mortgage Loan Receivables, the amount claimable under the NHG Guarantee and (ii) the sum of the Outstanding Principal Amount of the Mortgage Receivable, together with accrued interest due but unpaid, if any, and any other amounts due under the Mortgage Receivable.

Servicing Agreement:

Under the Servicing Agreement, (i) the Servicer will agree to provide mortgage payment transactions and the other services as agreed in the Servicing Agreement in relation to the Mortgage Loans on a day-to-day basis, including, without limitation, the collection of payments of principal, interest and all other amounts in respect of the Mortgage Loans and (ii) the Servicer will agree to provide the implementation of arrears procedures including, if applicable, the enforcement of mortgages (see further section 6.3 (*Origination and Servicing*)).

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

Administration

Under the Administration Agreement, the Issuer Administrator will agree

Agreement:	to provide certain administration, calculation and cash management services to the Issuer, including, *inter alia*, (a) the application of amounts received by the Issuer to the Issuer Accounts and the production of quarterly reports in relation thereto, (b) procuring that, if required, drawings are made by the Issuer under the Cash Advance Facility Agreement, whether or not from the Cash Advance Facility Stand-by Drawing Account (c) procuring that all payments to be made by the Issuer under the Swap Agreement and any of the other Transaction Documents are made, (d) procuring that all payments to be made by the Issuer under the Notes are made in accordance with the Paying Agency Agreement and the Conditions, (e) the maintaining of all required ledgers in connection with the above, (f) all administrative actions in relation thereto, (g) procuring that all calculations to be made pursuant to the Conditions are made and (h) to submit certain statistical information regarding the Issuer as referred to above to certain governmental authorities if and when requested (see further section 5.7 (*Administration Agreement*)).

1.8 GENERAL

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

2. RISK FACTORS

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

RISK FACTORS REGARDING THE ISSUER

The Notes will be solely the obligations of the Issuer

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

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

The Issuer has limited resources available to meet its obligations

The ability of the Issuer to meet its obligations in full to pay principal and interest on the Notes will be dependent solely on the receipt by it of funds under the Mortgage Receivables, the proceeds of the sale of any Mortgage Receivables, the receipt by it of payments under the Swap Agreement, drawings under the Reserve Account and/or the Cash Advance Facility Agreement, the receipt by it of interest in respect of the balance standing to the credit of the Issuer Transaction Accounts and, if the security rights on the Mortgaged Assets are enforced, the proceeds thereof. See section 5 (*Credit Structure*). The Issuer does not have any other resources available to it to meet its obligations under the Notes.

The Noteholders shall only have recourse in respect of any claim against the Issuer in accordance with, and subject to, the relevant Priority of Payments. If at any time the Security created in respect of the Notes has been enforced and the foreclosure proceeds are, after payment of all claims ranking in priority in accordance with the Post-Enforcement Priority of Payments, insufficient to pay in full all amounts due and payable on a particular Class of Notes, then the unpaid amount shall cease to be due and payable by the Issuer and the relevant Noteholders of such Class shall have no further claim against the Issuer or the Security Trustee in respect of any such unpaid amounts.

The Issuer has counterparty risk exposure

Counterparties to the Issuer may not perform their obligations under the Transaction Documents. If any of the counterparties to the Issuer do not perform their obligations under the Transaction Documents, this may for example occur, if the Sellers do not comply with their obligation pursuant to the Mortgage Receivables Purchase Agreement to repurchase a Relevant Mortgage Receivable and accept reassignment of such Relevant Mortgage Receivable in certain circumstances as described in section

7.1 (*Purchase, repurchase and sale*), this may result in the Issuer not performing its obligations under the Transaction Documents and/or not receiving sufficient funds and as a consequence thereof not being able to meet its obligations under the Notes, including any payments under the Notes.

Risk that the credit ratings of the counterparties change and risk of compulsory replacement of counterparties and/or termination of the relevant Transaction Document

Certain counterparties of the Issuer, such as the Issuer Account Bank and the Swap Counterparty, are required to have a certain minimum credit rating pursuant to the Transaction Documents and if the rating of such counterparty falls below such rating, remedial actions are required to be taken, which may be, for example, replacement of such counterparty. If a replacement counterparty must be appointed or another remedial action must be taken, it is not certain whether a replacement counterparty can be found which complies with the criteria or is willing to perform such role or such remedial action is available. In addition, such replacement or action when taken, may lead to higher costs and expenses, as a result of which the Issuer may have insufficient funds to pay its liabilities in full. Moreover, a deterioration of the credit quality of any of the Issuer's counterparties, a downgrade of their credit rating and/or the failure to take remedial actions could have an adverse effect on the credit rating assigned to, and/or the value of, the Notes.

Risk that the interest rate on the Issuer Accounts is less than zero

The Issuer, the Security Trustee and the Issuer Account Bank will enter into the Issuer Account Agreement on the Signing Date, under which the Issuer Account Bank will agree to pay an interest rate on the balance standing to the credit of the Issuer Accounts from time to time determined by reference to EONIA, as further set out in the Issuer Account Agreement. The Issuer Account Agreement provides that in the event that the interest rate accruing on the balances standing to the credit of any of the Issuer Accounts is less than zero, such amount will be payable by the Issuer to the Issuer Account Bank. This payment obligation to the Issuer Account Bank is subject to the Revenue Priority of Payments. Consequently, the Issuer may not have sufficient funds available necessary to fulfil its payment obligations under the Notes.

Risk of limited effectiveness of the rights of pledge granted to the Security Trustee in case of insolvency of the Issuer

Under or pursuant to the Pledge Agreements, various rights of pledge will be granted by the Issuer to the Security Trustee. On the basis of these pledges the Security Trustee can exercise the rights afforded by Dutch law to pledgees notwithstanding bankruptcy or suspension of payments of the Issuer. The Issuer is a special purpose vehicle, most creditors of which (including the parties to the Transaction Documents) have agreed to limited recourse and non-petition provisions, and is therefore unlikely to become insolvent. However, any bankruptcy or suspension of payments involving the Issuer would affect the position of the Security Trustee as pledgee in some respects, the most important of which are: (i) payments made by the Borrowers to the Issuer after notification of the assignment to the Issuer, but prior to notification of the pledge in favour of the Security Trustee, and after bankruptcy or suspension of payments of the Issuer will form 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 (4) months may apply in case of bankruptcy and/or suspension of payments involving the Issuer, which, if applicable would delay the exercise (*uitwinnen*) of the right of pledge on the Mortgage Receivables and (iii) the Security Trustee may be obliged to enforce its right of pledge within a reasonable period following bankruptcy as determined by the judge-commissioner (*rechter-commissaris*) appointed by the court in case of bankruptcy of the Issuer.

To the extent the receivables pledged by the Issuer to the Security Trustee are future receivables, the right of pledge on such future 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 has been granted a suspension of payments. The Issuer has been advised that the assets pledged to the Security Trustee under the Issuer Rights Pledge Agreement should probably be regarded as future receivables. This would for example apply to amounts paid to the Issuer Accounts following the Issuer's bankruptcy or suspension of payments. In view of the foregoing, the effectiveness of the rights of pledge to the Security Trustee may be limited in case of insolvency of the Issuer.

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

Under Dutch law it is uncertain whether a security right can be validly created in favour of a party which is not the creditor of the claim which the security right purports to secure. Consequently, in order to secure the valid creation of the pledges under the Pledge Agreements in favour of the Security Trustee, the Issuer has in the Parallel Debt Agreement, as a separate and independent obligation, by way of parallel debt, undertaken to pay to the Security Trustee amounts equal to the amounts due by it to the Secured Creditors. There is no statutory law or substantive case law available on the concept of parallel debts such as the Parallel Debt and on the question whether a parallel debt constitutes a valid basis for the creation of security rights, such as rights of pledge (see also section 4.7 (*Security*)). However, the Issuer has been advised that a parallel debt, such as the Parallel Debt, creates a claim of the Security Trustee thereunder which can be validly secured by a right of pledge such as the rights of pledge created by the Pledge Agreements and the Deeds of Assignment and Pledge. Should the Parallel Debt not constitute a valid basis for the creation of security rights, the Pledged Assets may secure only some or even none of the liabilities of the Issuer to the Secured Creditors.

The Security Trustee is a special purpose vehicle and is unlikely to become insolvent, *inter alia*, as a result of non-petition and limited recourse covenants and obligations. However, any payments in respect of the Parallel Debt and any proceeds received by the Security Trustee are, in the case of an insolvency of the Security Trustee, not separated from the Security Trustee's other assets. The Secured Creditors therefore have a credit risk on the Security Trustee, which may lead to losses under the Notes. Should the Security Trustee become insolvent, the Secured Creditors will have an unsecured claim on the bankrupt estate of the Security Trustee.

Risk related to licence requirement under the Wft

Under the Wft a special purpose vehicle which services (*beheert*) and administers (*uitvoert*) loans granted to consumers, such as the Issuer, must have a licence under the Wft. An exemption from the licence requirement is available, if the special purpose vehicle outsources the servicing of the loans and the administration thereof to an entity holding a licence under the Wft. The Issuer has outsourced the servicing and administration of the Mortgage Receivables to the Servicer. The Servicer is licensed as a bank and therefore licensed to act as intermediary (*bemiddelaar*) and offeror of credit (*aanbieder van krediet*) under the Wft and the Issuer thus benefits from the exemption. However, if the Servicing Agreement is terminated, the Issuer will need to outsource the servicing and administration of the Mortgage 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 the Servicing Agreement is terminated and the Issuer has not outsourced the servicing and administration of the Mortgage Receivables to a licenced entity and, in such case, it will not hold a licence itself, the Issuer will have to terminate its activities and may have to sell the Mortgage Receivables, which could lead to losses under the Notes.

Risk related to the termination of the Swap Agreement

The Swap Counterparty will be obliged to make payments under the Swap Agreement without any withholding or deduction of taxes unless required by law. If any such withholding or deduction is required by law, the Swap Counterparty will be required to pay such additional amount as is necessary to ensure that the net amount actually received by the Issuer will equal the full amount that the Issuer would have received had no such withholding or deduction been required. The Swap Agreement will provide, however, that upon the occurrence of a Tax Event, the Swap Counterparty may transfer its rights and obligations to another of its offices, branches or affiliates to avoid the relevant Tax Event. If the Swap Counterparty is unable to transfer its rights and obligations under the Swap Agreement to another office, branch or affiliate, it will have the right to terminate the Swap Agreement. Upon such termination, the Issuer or the Swap Counterparty may be liable to make a termination payment to the other party. The Swap Counterparty will however not be required to pay additional amounts in case a withholding or deduction is required on the account of FATCA withholding tax. Instead the Swap Counterparty and the Issuer have agreed that either party can disclose information about the other party and any transaction entered into under the Swap Agreement to any government or taxing authority if so required in relation to FATCA.

The Swap Agreement will also be terminable by either party if, *inter alia*, (i) an Event of Default or Termination Event (as defined therein) occurs in relation to the other party, (ii) it becomes unlawful for either party to perform its obligations under the Swap Agreement or (iii) on the occurrence of certain rating events.

Events of Default under the Swap Agreement in relation to the Issuer will be limited to (i) non-payment under the Swap Agreement, (ii) certain insolvency events in respect of the Issuer and (iii) the service of an Enforcement Notice. If the Swap Agreement terminates the Issuer may have to pay a termination payment to the Swap Counterparty and will be exposed to changes in the relevant rates of interest. As a result, unless a replacement swap is entered into, the Issuer may have insufficient funds to make payments under the Notes.

Insolvency proceedings and subordination provisions

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

The English Supreme Court has held that a flip clause as described above is valid under English law. The Issuer has been advised that such a flip clause would be enforceable against the parties that have validly agreed thereto under Dutch law. Contrary to this, however, the US Bankruptcy Court previously held that such a subordination provision is unenforceable under US bankruptcy law and that any action to enforce such provision would violate the automatic stay which applies under such law in the case of a US bankruptcy of the counterparty. The US Bankruptcy Court approved, in December 2010, the settlement of the case to which the judgment relates and subsequently the appeal was dismissed. However, in June 2016 the US Bankruptcy Court issued a decision in which it considered that flip clauses in asset-backed security swap documents are protected under the US bankruptcy law and are therefore enforceable in bankruptcy.

If a creditor of the Issuer (such as the Swap Counterparty) or a related entity becomes subject to insolvency proceedings in any jurisdiction outside England and Wales or the Netherlands (including, but not limited to, the United States), and it is owed a payment by the Issuer, a question arises as to whether the insolvent creditor or any insolvency official appointed in respect of that creditor could successfully challenge the validity and/or enforceability of subordination provisions included in the English and Dutch law governed Transaction Documents (such as a provision of each of the Priorities of Payments which refers to the ranking of the Swap Counterparty's payment rights in respect of Swap Counterparty Subordinated Payments). In particular, based on the decision of the US Bankruptcy Court referred to above, there is a risk that such subordination provisions would not be upheld under US bankruptcy laws. Such laws may be relevant in certain circumstances with respect to the Swap Counterparty given that the Swap Counterparty has assets and/or operations in the US and notwithstanding that the Swap Counterparty is a non-US established entity (and/or with respect to any replacement counterparty, depending on certain matters in respect of that entity). In general, if a subordination provision included in the Transaction Documents was successfully challenged under the insolvency laws of any relevant jurisdiction outside England and Wales or the Netherlands and any relevant foreign judgment or order was recognised by the English or Dutch courts, there can be no assurance that such actions would not adversely affect the rights of the Noteholders, the market value of the Notes and/or the ability of the Issuer to satisfy its obligations under the Notes.

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

RISK FACTORS REGARDING THE NOTES

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

The Notes are complex financial products. Investors in the Notes must be able to make an informed assessment of the Notes, based upon full knowledge and understanding of the facts and risks. Investors must determine the suitability of that investment in light of its own circumstances. The following factors might

affect an investor's ability to appreciate the risk factors outlined in this section 2 (*Risk Factors*), placing such investor at a greater risk of receiving a lesser return on his investment:

(i) if such an investor does not have sufficient knowledge and experience to make a meaningful evaluation of the Notes and the merits of investing in the Notes in light of the risk factors outlined in this section 2 (*Risk Factors*);

(ii) if such an investor does not have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of his particular financial situation, the significance of these risk factors and the impact the Notes will have on his overall investment portfolio;

(iii) if such an investor does not have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the investor's currency;

(iv) if such an investor does not understand thoroughly the terms of the Notes and is not familiar with the behaviour of any relevant indices in the financial markets (including the risks associated therewith) as such investor is more vulnerable to any fluctuations in the financial markets generally; and

(v) if such an investor is not able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect his investment and his ability to bear the applicable risks.

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

Credit Risk

The Issuer is subject to the risk of default in payment by the Borrowers and the failure by the Servicer (or its Sub-servicer) to realise or recover sufficient funds under the arrears and default procedures in respect of the relevant Mortgage Receivables in order to discharge all amounts due and owed by the relevant Borrowers under the relevant Mortgage Receivables. This risk may affect the Issuer's ability to make payments on the Notes but is mitigated to some extent by certain credit enhancement features which are described in Section 5 (*Credit Structure*) and more specifically in sections 5.3 (*Loss Allocation*) and Section 5.5 (*Liquidity Support*). If the arrears and/or losses are higher than expected and not fully covered by the credit enhancement features this may lead to losses under the Notes.

The Issuer will report the Mortgage Receivables in arrears and the Realised Losses in respect thereof in the Notes and Cash Report on an aggregate basis. Investors should be aware that the Realised Losses reported may not reflect all losses that already have occurred or are expected to occur, because a Realised Loss is recorded, *inter alia*, only after the Servicer has determined that foreclosure of the Mortgage and other collateral securing the Mortgage Receivable has been completed which process may take a considerable amount of time and may not necessarily be in line with the policies of other originators in the Dutch market.

The performance of the Notes may be adversely affected by the conditions in the global financial markets (including, but not limited to, the United Kingdom's withdrawal from the EU (Brexit) and these conditions may not improve in the near future

Global markets and economic conditions have been negatively impacted in recent years by the banking and sovereign debt crisis in the EU and globally. In particular, concerns have been raised with respect to continuing economic, monetary and political conditions in the region comprised of the Member States of the EU that have adopted the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957) as amended (the **Eurozone**).

The market's anticipation of these (potential) impacts could have a material adverse effect on the business, financial condition and liquidity of the Issuer, the Sellers, the Servicer, the Originator, the Sub-servicer, the Swap Counterparty and the Issuer Account Bank. In particular, these developments could disrupt payment systems, money markets, long-term or short-term fixed income markets, foreign exchange markets, commodities markets and equity markets and adversely affect the cost and availability

of funding. Certain impacts, such as increased spreads in money markets and other short term rates, have already been experienced as a result of market expectations.

In addition, on 23 June 2016, the United Kingdom voted in a national referendum to withdraw from the EU. The result of the referendum does not legally obligate the United Kingdom to exit the EU. However, the United Kingdom has formally served notice to the European Council on 29 March 2017 of its desire to withdraw. The EU and the United Kingdom are in negotiations in relation to the conditions under which the United Kingdom will withdraw from the EU and the content of the future relationship between the EU and the United Kingdom. The prospective exit could negatively impact the European markets and/or the Transaction Parties.

In the event of continued or increasing market disruptions and volatility (including as may be demonstrated by any default or restructuring of indebtedness by one or more Member States or institutions within those Member States and/or any changes to the Eurozone or exit from the EU), the Issuer, the Sellers, the Servicer, the Originator, the Sub-servicer, the Swap Counterparty and the Issuer Account Bank may experience reductions in business activity, increased funding costs, decreased liquidity, decreased asset values, additional credit impairment losses and lower profitability and revenues, which may affect their ability to perform their respective obligations under the relevant Transaction Documents.

These factors and general market conditions could adversely affect the performance of the Notes. There can be no assurance that governmental, supra national or other actions will improve these conditions in the future.

Conflict between the interests of holders of different Classes of Notes and the Secured Creditors in general

Circumstances may arise when the interests of the holders of different Classes of Notes could conflict. The Trust Deed contains provisions requiring the Security Trustee to have regard to the interests of the Noteholders as regards all powers, trust, authorities, duties and discretions of the Security Trustee (except where expressly provided otherwise). If, in the sole opinion of the Security Trustee there is a conflict between the interests of the holders of different Classes of Notes, the Security Trustee shall have regard only to the interests of the Higher Ranking Class of Notes. In addition, the Security Trustee shall have regard to the interests of the other Secured Creditors and, in case of a conflict of interest between the Secured Creditors, the Post-Enforcement Priority of Payments determines which interest of which Secured Creditor prevails. Noteholders should be aware that the interests of Secured Creditors ranking higher in the Post-Enforcement Priority of Payments than the relevant Class of Notes shall prevail.

A resolution adopted at a meeting of the Class A Noteholders is binding on all Noteholders and a resolution adopted by a Noteholders' meeting of another relevant Class is binding on all Noteholders of that relevant Class only

The Trust Deed contains provisions for convening meetings of the Noteholders of any Class to consider matters affecting the interests, including the sanctioning by Extraordinary Resolution, of such Noteholders of the relevant Class of a change of any of the Conditions or certain provisions of the Transaction Documents. An Extraordinary Resolution passed at any meeting of the Most Senior Class shall be binding upon all Noteholders of a Class irrespective of the effect upon them, provided that in case of an Extraordinary Resolution approving a Basic Terms Change, such Extraordinary Resolution shall not be effective unless it has been approved by Extraordinary Resolutions of Noteholders of each such Class or unless and to the extent that it shall not, in the sole opinion of the Security Trustee, be materially prejudicial to the interests of Noteholders of each such Class. All resolutions, including Extraordinary Resolutions, duly adopted at a meeting are binding upon all Noteholders of the relevant Class, whether or not they are present at the meeting. Changes to the Transaction Documents and the Conditions may therefore be made without the approval of the Noteholders of a relevant Class of Notes (other than the Most Senior Class) in case of a resolution of the Noteholders of the Most Senior Class of Notes or individual Noteholder in case of a resolution of the relevant Class and/or in each case without the Noteholder being present at the relevant meeting (see for more details and information on the required majorities and quorum, Condition 14 (Meetings of Noteholders; Modification; Consents; Waiver) below). Noteholders are therefore exposed to the risk that changes are made to the Transaction Documents and the Conditions without their consent and/or which may have an adverse effect on it.

The Security Trustee may without the consent of the Noteholders agree to changes to the Transaction Documents and Conditions

The Security Trustee may agree, without the consent of the Noteholders, to (i) any modification of any of the provisions of the Transaction Documents which is of a formal, minor or technical nature or is made to correct a manifest error, or is made in order for the Issuer to comply with its EMIR obligations, or which is required under the Securitisation Regulation and/or for the transaction to qualify as STS Securitisation, or which is a result of the determination of the Replacement Reference Rate, and (ii) any other modification, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Transaction Documents, and any consent, including to the transfer of the rights and obligations under a Transaction Document by the relevant counterparty to a successor, which is in the opinion of the Security Trustee not materially prejudicial to the interests of the Noteholders, provided that the Security Trustee has received Credit Rating Agency Confirmation. Any such changes will be binding on the Noteholders. Therefore Noteholders may be bound by changes to which they have not agreed.

Clean-Up Call Option, Tax Call Option and Regulatory Call Option

Should the Issuer exercise the Clean-Up Call Option it will redeem all the Notes, other than the Class E Notes, in accordance with Condition 6(h) and subject to, in respect of the Subordinated Notes, Condition 9(b). The Issuer will have the option to redeem the Notes, other than the Class E Notes, for tax reasons in accordance with Condition 6(f) and subject to, in respect of the Subordinated Notes, Condition 9(b). The Issuer will have the option to redeem the Notes, other than the Class E Notes, for regulatory reasons in accordance with Condition 6(g) and subject to, in respect of the Subordinated Notes, Condition 9(b). The purchase price of the Mortgage Receivables will be calculated as described in '*Sale of Mortgage Receivables*' in section 5 *Credit Structure*.

Should the Sellers exercise the Sellers Clean-Up Call Option, the Issuer shall sell and assign the Relevant Mortgage Receivables to the relevant Seller(s), or any third party appointed by the relevant Seller and shall apply the proceeds of such sale towards redemption of the Notes subject to and in accordance with the Conditions, including for the avoidance of doubt, Condition 9(b).

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

Noteholders should be aware that in exercising the Clean-Up Call Option, the Tax Call Option and the Regulatory Call Option and the mandatory redemption on the Final Maturity Date the Subordinated Notes may be redeemed by the Issuer at an amount less than their Principal Amount Outstanding in certain cases, which amount may even be zero, including, *inter alia*, in the case that losses under the Mortgage Receivables have occurred (see Conditions 6 and 9(b) in section 4.1 (*Terms and Conditions*)).

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

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

Noteholders should be aware that on each Optional Redemption Date and the Final Maturity Date the Subordinated Notes may be redeemed by the Issuer at an amount less than their Principal Amount Outstanding in certain cases, which amount may even be zero, including, *inter alia*, in the case that losses under the Mortgage Receivables have occurred (see Conditions 6 and 9(b) in section 4.1 (*Terms and Conditions*)). For the avoidance of doubt, balances standing on the Reserve Account can be used to redeem the Notes as well, provided that all items ranking higher than the repayment of principal on the relevant Class of Notes in the applicable Priority of Payments (including the expenses of the Issuer and interest on the other Classes of Notes) have been paid in full.

Risk that the Notes are not redeemed on the Final Maturity Date
The ability of the Issuer to redeem all the Notes on each Optional Redemption Date or, as the case may be, on the Final Maturity Date in full and to pay all amounts due to the Noteholders, including after the occurrence of an Event of Default, may depend upon whether the proceeds of the Mortgage Receivables are sufficient to redeem the Notes.

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

Factors regarding Tax consequences on holding of the Notes
Potential investors should consider the tax consequences of investing in the Notes and consult their tax adviser about their own tax situation.

In certain circumstances, the Issuer and the Noteholders may be subject to U.S. withholding tax under FATCA
Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("**FATCA**") impose a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a foreign financial institution, or "**FFI**" (as defined by FATCA)) that does not become a "**Participating FFI**" by entering into an agreement with the Internal Revenue Service ("**IRS**") to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a United States Account of the Issuer (a "**Recalcitrant Holder**").

The withholding regime is now in effect for payments from sources within the United States and will apply to "**foreign passthru payments**" (a term not yet defined) no earlier than 1 January 2019.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an "**IGA**"). Pursuant to FATCA and the Model 1 and Model 2 IGAs released by the United States, an FFI in an IGA signatory country could be treated as a Reporting FI not subject to FATCA Withholding on any payments it receives. Further, an FFI in an IGA jurisdiction would generally not be required to withhold under FATCA from payments it makes. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and the Netherlands have entered into an agreement ("**U.S.-Netherlands IGA**") based largely on the Model 1 IGA.

If the Issuer is treated as a Reporting FI pursuant to the U.S.-Netherlands IGA it does not anticipate that it will be obliged to deduct FATCA Withholding on payments it makes. There can be no assurance, however, that the Issuer will be treated as a Reporting FI, or that it would in the future not be required to deduct FATCA Withholding from payments it makes. The Issuer and financial institutions through which payments on the Notes are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

Whilst the Notes are in the form of Global Notes and will initially held by the Common Safekeeper on behalf of Euroclear or Clearstream, Luxembourg or Citibank, where applicable (the "**ICSDs**"), it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer, any paying agent or the common depositary, given that each of the entities in the payment chain between the Issuer and the participants in the ICSDs is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Notes. The documentation expressly contemplates the possibility that the Global Notes may go into definitive form and therefore that they may be taken out of the ICSDs. If this were to happen, a non-FATCA compliant holder could be subject to FATCA Withholding. However, definitive Notes will only be printed in limited circumstances.

If an amount in respect of FATCA Withholding were to be deducted or withheld either from amounts due to the Issuer or from interest, principal or other payments made in respect of the Notes, neither the Issuer nor the Paying Agent nor any other person would, pursuant to the conditions of the Notes, be required to pay additional amounts as a result of the deduction or withholding.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and the U.S.-Netherlands IGA, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their own tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes

ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSES OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

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

The structure of the issue of the relevant Notes is based on Dutch law (including tax law) (or English law in respect of the Swap Agreement) in effect as at the date of this Prospectus and the relevant credit ratings which are to be assigned to them (other than the Class E Notes) are based thereon. Noting that the laws, regulations and administrative practice relating to mortgage-backed securities such as the Notes are in a state of flux in Europe, with outcomes impossible to predict for the Issuer, no assurance can be given as to the impact (directly or indirectly) of any possible change to Dutch law (or English law in respect of the Swap Agreement), the administrative practice in the Netherlands (or England in respect of the Swap Agreement) or investors in the Notes after the date of this Prospectus.

Subordination of the Subordinated Notes and redemption with a loss

To the extent set forth in Condition 9 (a) the Class B Notes are subordinated in right of payment to the Class A Notes, (b) the Class C Notes are subordinated in right of payment to the Class A Notes and the Class B Notes, (c) the Class D Notes are subordinated in right of payment to the Class A Notes, the Class B Notes and the Class C Notes and (d) the Class E Notes are subordinated in right of payment to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes. With respect to any Class of Notes, other than the Class E Notes, such subordination is designed to provide credit enhancement to any Class of Notes with a higher payment priority than such Class of Notes, other than the Class E Notes. See section 4.1 (*Terms and Conditions*) and section 5 (*Credit Structure*).

If, upon default by the Borrowers, the Issuer does not receive the full amount due from such Borrowers, Noteholders may receive by way of principal repayment on the Notes an amount less than the face amount of their Notes, and even not receive any repayment at all, and the Issuer may be unable to pay in full interest due on the Notes, to the extent set forth in Condition 9 (*Subordination*). On any Notes Payment Date, any Realised Losses on the Mortgage Loans and any Cash Advance Replenishment Amounts will be allocated as described in section 5 (*Credit Structure*).

Risk related to the limited liquidity of the Notes

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

The secondary market for mortgage-backed securities, such as the Notes has experienced severe disruptions resulting from reduced investor demand for mortgage loans and mortgage-backed securities and increased investor yield requirements for those loans and securities. Limited liquidity in the secondary

market for mortgage-backed securities has had a severe adverse effect on the market value of mortgage-backed securities. The conditions may improve, continue or again worsen in the future. Limited liquidity in the secondary market for mortgage-backed securities may 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 or acquire credit protection in respect of 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. Thus, Noteholders bear the risk of limited liquidity of the secondary market for mortgage-backed securities and the effect thereof on the value of the Notes.

Risk related to the ECB Purchase Programme

In September 2014, the ECB initiated an asset purchase programme whereby it envisages to bring inflation back to levels in line with the ECB's objective to maintain the price stability in the euro area and, also, to help enterprises across Europe to enjoy better access to credit, boost investments, create jobs and thus support the overall economic growth. The expanded asset purchase programme commenced in March 2015 and encompasses the earlier announced asset-backed securities purchase programme and the covered bond purchase programme. In March 2016, the ECB announced that the combined monthly purchases under the asset purchase programme were to increase as of April 2016 to EUR 80 billion and that it would include investment-grade euro-denominated bonds issued by non-banking corporations established in the euro area in the list of assets eligible for regular purchases under a new corporate sector purchase programme. As of March 2017 the monthly purchases were reduced to EUR 60 billion. In October 2017, the ECB announced that the combined monthly purchases would be further reduced from EUR 60 billion to EUR 30 billion from January 2018 until the end of September 2018. On 14 June 2018, the ECB stated that it anticipates that, after September 2018, the monthly pace of the net asset purchases will be reduced to EUR 15 billion until the end of December 2018 and that net purchases will then end. As of 2019, the ECB will, however, maintain its policy to reinvest the principal payments from maturing securities under these programmes as long as deemed necessary. It remains to be seen what the effect of the purchase programme, and the termination thereof, ultimately will be on the volatility in the financial markets and economy generally. The termination of any or all ECB purchase programmes could have an adverse effect on the secondary market value of the Notes and the liquidity in the secondary market for the Notes.

Legal investment considerations may restrict investments in the Notes

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules. A failure to consult may lead to damages being incurred and/or a breach of applicable law by the investor.

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

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

In December 2010 the Basel Committee on Banking Supervision (the "**Basel Committee**") published its final standards on the revised capital adequacy framework known as "**Basel III**". On 26 June 2013 the Council

and the European Parliament adopted the package known as "CRD IV". The CRD IV package replaces the previous CRD with the CRD IV and the CRR which aims to create a sounder and safer financial system. The CRD IV governs amongst other things the access to deposit-taking activities while the CRR establishes the majority of prudential requirements with which certain categories of investors need to comply. The CRR has come into force in all European Union Member States from 1 January 2014. The CRD IV has been implemented in the Netherlands on 1 August 2014. Certain provisions stemming from the aforementioned regulations have yet to become applicable.

Following certain proposals of the Basel Committee and the Financial Stability Board, the European Commission proposed on 23 November 2016 a comprehensive package of banking reforms (the "**EU Banking Reforms**"). This includes changes to CRD IV, CRR, BRRD and SRM Regulation. In short the following key elements are included in the proposal: (a) a binding 3 per cent. leverage ratio for banks, (b) a binding detailed net stable funding ratio for banks, (c) macroprudential tools for supervisory authorities, (d) a new category of "non-preferred" senior debt, (e) revisions in the framework for a minimum requirement for own funds and eligible liabilities, (f) a requirement to have more risk-sensitive own funds for banks trading in certain instruments (further to Basel Committee's fundamental review of the trading book), (g) the introduction of the new total loss-absorbing capacity ("**TLAC**") standard for global systemically important institutions, (h) a revised calculation method for derivatives exposures, (i) changes to the framework for institution-specific additional own funds ('pillar 2') and (j) the introduction of (additional) moratorium powers of competent authorities to suspend contractual obligations. The EU Banking Reforms do not yet incorporate certain amendments discussed on the level of the Basel Committee in the context of Basel IV, such as the regulatory treatment of credit and operational risk. Save for certain elements, such as the envisaged application of TLAC as of 1 January 2019 and the required implementation in the Member States of the 'non-preferred' senior debt ultimately by 29 December 2018, the timing for the final implementation of the EU Banking Reforms as at the date hereof is unclear. The EU Banking Reforms are still subject to debate and approval at the EU Level as well as implementation and entry into force in the Member States.

Investors should, *inter alia*, be aware of the EU risk retention and due diligence requirements which apply, or are expected to apply in the future, in respect of various types of EU regulated investors including credit institutions, authorised alternative investment fund managers, investment firms, insurance and reinsurance undertakings, pension funds and UCITS funds. Amongst other things, such requirements restrict a relevant investor from investing in asset-backed securities unless (i) that investor is able to demonstrate that it has undertaken certain due diligence in respect of various matters including its note position, the underlying assets and (in the case of certain types of investors) the relevant sponsor or originator and (ii) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to such investor that it will retain, on an ongoing basis, a material net economic interest of not less than five (5) per cent. in respect of certain specified credit risk tranches or asset exposures as contemplated by such requirements. As of 1 January 2019 the originator, sponsor or original lender of a securitisation is, pursuant to Article 6 of the Securitisation Regulation, obliged to retain on an ongoing basis a material net economic interest in the securitisation of not less than five (5) per cent. Failure to comply with one or more of these requirements may result in various penalties including, in case those investors are subject to regulatory capital requirements, the imposition of a penal capital charge on the notes acquired by the relevant investor or an obligation to deduct the positions from the investors' regulatory own funds which funds they are required to retain pursuant to mandatory rules and regulations. Pursuant to the transitional provisions of Article 43 of the Securitisation Regulation, until the regulatory technical standards to be adopted pursuant to Article 6 of the Securitisation Regulation apply, the originator, sponsor or original lender shall apply Delegated Regulation (EU) No 625/2014 to securitisations the securities of which are issued on or after 1 January 2019.

Aspects of the requirements and what is or will be required to demonstrate compliance to national regulators remain (at least partially) unclear and this uncertainty is increased by certain legislative developments. In particular, in the context of the requirements which apply in respect of EU regulated investors, including credit institutions, insurance and reinsurance undertakings, investment firms, pension funds and authorised alternative investment fund managers, the corresponding interpretation materials (to be made in the form of technical standards) have not yet been finalised. No assurance can be provided that such final materials will not affect the compliance position of previously issued transactions and securities (including the Notes) and/or the requirements applying to relevant investors in general.

For a description of the undertakings and representations and warranties of the Sellers relating to the above, see section 4.4 (*Regulatory and Industry Compliance*) and section 8 (*General*). Relevant investors are required to independently assess and determine the sufficiency of the information described above for the purposes of complying with the risk retention and due diligence requirements described above and none of the Issuer, the Security Trustee, the Managers, the Sellers nor NIBC makes any representation that the information described above in relation to the EU risk retention and due diligence requirements described above is sufficient in all circumstances for such purposes.

On 30 September 2015, the European Commission published the proposal for a regulation laying down common rules on securitisation and creating a Securitisation Regulation. This Securitisation Regulation creates a single set of common rules for European "institutional investors" regarding (i) risk retention, (ii) due diligence, (iii) transparency and (iv) underwriting criteria for loans to be comprised in securitisation pools. Such common rules replace the existing provisions in CRR, Solvency II, Solvency II Regulation and the AIFMR and introduce similar rules for UCITS management companies regulated by the UCITS Directive, institutions for occupational retirement provisions falling within the scope of the IORP Directive or an investment manager or an authorised entity appointed by an institution for occupational retirement provisions pursuant to article 32 of the IORP Directive. Secondly, the Securitisation Regulation creates a European framework for simple, transparent and standardised securitisations ("**STS Securitisations**"). The Securitisation Regulation was adopted by the European Parliament and by the European Council on 12 December 2017 and will apply from 1 January 2019. None of the transitional provisions of the Securitisation Regulation will result in the retroactive application of compliance requirements to previously structured transactions and issued securities (including the Notes). No assurance can be provided that the transaction described in this Prospectus will be designated as an STS Securitisation under the Securitisation Regulation at any point in the future and the Issuer cannot asses and has not assessed whether or not the Notes issued by it will qualify as STS Securitisation Notes. Such qualification will be very difficult or impossible to make, as some further regulations are not available or in draft form at the date of this Prospectus.

Following the adoption of the CRR Amendment Regulation certain securitisation positions of qualifying STS Securitisations will, following a further calibration of the capital requirements as set forth in the CRR Amendment Regulation, obtain a preferential treatment as regards their capital requirements weighting for credit institutions and investment firms (both as defined in CRR) investing in such positions.

Furthermore, following the adoption of the Commission proposal of 1 June 2018 to amend Solvency II, the general provisions on the 'type 1 securitisation' asset category are to be deleted from Solvency II and reference should instead be made to the relevant provisions on STS Securitisations laid down in the Securitisation Regulation. In order to avoid those amendments leading to adverse effects, transitional measures will be provided for with respect to existing assets falling within the 'type 1 securitisation' category. In the event the Notes are qualifying as 'type 1 securitisation' for investors subject to the Solvency II capital requirements, the Notes will be subject to such transitional provisions.

The requirements described above and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market. Prospective noteholders should therefore make themselves aware of the EU risk retention and due diligence requirements, where applicable to them, in addition to any other regulatory requirements (whether or not as described above) applicable to them with respect to their investment in the Notes.

Securitisation positions qualifying as High Quality Liquidity Asset

On 30 October 2018, Commission Delegated Regulation amending Delegated Regulation (EU) 2018/1620 of 13 July 2018 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for credit institutions (the "**LCR Delegated Regulation**") was published in the Official Journal of the EU. This amendment integrates the STS criteria for securitisation in the LCR Delegated Regulation. Securitisations can be qualified as Level 2B high quality liquid assets ("**HQLA**") only if they fulfil the conditions laid down in article 13 of the LCR Delegated Regulation. In the revised provision of article 13 LCR Delegated Regulation, a reference is made to the requirement that securitisation positions will only qualify as HQLA if the designation 'STS' or 'simple, transparent and standardised' or a designation that refers directly or indirectly to those terms is permitted to be used for the securitisation in accordance with the Securitisation Regulation and is also being so used. The Securitisation

Regulation sets out a list of criteria which define STS Securitisations. The criteria specific to liquidity (such as the criteria regarding the issue size, the types of underlying exposures or the rating) have been retained in the LCR Delegated Regulation. The LCR Delegated Regulation may impact the qualification of outstanding securitisation positions issued before the entry into force of the Securitisation Regulation which becomes effective on 1 January 2019, as no grandfathering provisions are included in the LCR Delegated Regulation. Therefore, it is currently uncertain as to whether or not the Notes will qualify as HQLA after 1 January 2019, as the exact requirements relating to the STS criteria are not yet available. Investors should therefore make themselves aware of the changes and requirements described above (and any corresponding implementing rules of their regulator), where applicable to them, in addition to any other applicable regulatory requirements with respect to their investment in the Notes. The matters described above and any other changes to the regulation or regulatory treatment of the Notes for some or all investors may severely impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the Notes in the secondary market.

Basel III reform / Basel IV

Since the introduction of Basel III, the Basel Committee published several consultation documents for amendment of Basel III. On 7 December 2017, the Basel Committee published the finalised Basel III reforms as improvements to the global regulatory framework ("**Basel III Reforms**") (informally referred to as Basel IV). Basel III Reforms seeks to restore credibility in the calculation of the risk weighted assets and improve the comparability of banks' ratio's. The most important changes involve stricter rules for internal models. Internal models for operational risk will no longer be permitted; a standardised approach must be applied instead. The rules for calculating risk weighted assets for credit risk will be tightened, under the standardised approach as well as under the internal ratings-based (IRB) approach. This includes changes to the requirements for the risk-weighting of mortgages. In the revised standardised approach mortgage risk weights depend either on the original loan-to-value (LTV) ratio of the mortgage or alternatively on the loan splitting approach by which a 20 per cent. risk weight is assigned to the part of the exposure up to 55 per cent. of the property value at origination and (for loans to individuals) a 75 per cent. risk weight for the residual part. In accordance with Basel III Reforms, banks 'calculations of risk weighted assets cannot, in aggregate, fall below 72.5 per cent. of the risk weighted assets computed by the standardised approaches for credit, operational and market risk. The implementation will be gradual, starting from 2022 and then over a five-year period. The Basel III Reforms may have an impact on the capital requirements in respect of the holder of the Notes and/or on incentives to hold the Notes for investors that are subject to requirements that follow the revised framework and, as a result, they may affect the liquidity and/or value of the Notes.

Basel III and the Basel III Reforms may affect risk-weighting of the Notes for investors subject to the new framework following its implementation (whether via the CRD IV or subsequent EU legislation or otherwise by non-EU regulators; reference is also made to the risk factor '*Regulatory initiatives may result in increased regulatory capital requirements and/or decreased liquidity in respect of the Notes*')). This could affect the market value of the Notes in general and the relative value for the investors in the Notes.

On 18 January 2015, the Solvency II Regulation entered into force. The implementing rules set out more detailed requirements for individual insurance undertakings as well as for groups, based on the provisions set out in Solvency II. Pursuant to Solvency II, stringent rules apply to European insurance companies since January 2016 in respect of instruments such as the Notes in order to qualify as regulatory capital (*toetsingsvermogen c.q. solvabiliteitsmarge*). Solvency II contains the technical implementation rules particularly as regards securitisation positions, differentiating the risk weighting rules particularly as regards securitisation positions in so-called Type 1 securitisations and Type 2 securitisations. Based on a proposal from the European Commission dated 1 June 2018, the distinction between Type 1 and Type 2 securitisations will be replaced with a different approach aligned to the Securitisation Regulation (as discussed above).

Potential investors should consult their own advisers as to the consequences to and effect on them of the application of Basel III, CRD IV, the EU Banking Reforms and the Basel III Reforms, and the application of Solvency II, to their holding of any Notes. None of the Issuer, the Security Trustee, the Managers, the Sellers or NIBC is responsible for informing Noteholders of the effects on the changes to risk-weighting or regulatory capital which amongst others may result for investors from the adoption by their own regulator of Basel III, CRD IV, the EU Banking Reforms, the Basel III Reforms or Solvency II (whether or not implemented by them in its current form or otherwise).

Benchmark reforms impose obligations on market parties and may cause benchmarks to be materially amended or discontinued

Various benchmarks (including interest rate benchmarks such as Euribor, Libor, EONIA and other interest rates or other types or rates and indices which are deemed to be "benchmarks") are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective such as the Benchmark Regulation (which entered into force on 1 January 2018), whilst others are still to be implemented. NIBC closely monitors these national and international guidance and other proposals for reform, which are in constant development. Given the uncertainty in relation to the timing and manner of implementation of such reforms and in the absence of clear market consensus at this time, NIBC is not yet in a position to determine the reforms that it will apply. The interest payable on the Notes will be determined by reference to Euribor (the "**Reference Rate**").

Under the Benchmark Regulation, new requirements apply with respect to the provision of a wide range of benchmarks (including Euribor), the contribution of input data to a benchmark and the use of a benchmark within the European Union. In particular, the Benchmark Regulation, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of benchmarks and (ii) prevent certain uses by EU-supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU-based, deemed equivalent or recognised or endorsed).

Following the implementation of any such (potential) reforms or further to other pressures (including from regulatory authorities), (i) the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, (ii) one or more benchmarks could be eliminated entirely or (iii) there could be other consequences, including those that cannot be predicted. Any of these changes or any other consequential changes to Euribor or any other relevant benchmark, or any further uncertainty in relation to the timing and manner of implementation of such changes could affect the ability of the Issuer to meet its obligations under the Notes and could have a material adverse effect on the value or liquidity of, and amounts payable under, the Notes based on or linked to a benchmark.

Future discontinuance of Euribor (the Reference Rate) and certain other events relating to the Reference Rate may adversely affect the value of the Notes and/or the amounts payable thereunder

Investors should be aware that, if the Reference Rate has been discontinued or another Benchmark Event (as defined in Condition 4(j)) has occurred, the rate of interest on the Notes will be determined for the relevant period by the fall-back provisions set out in Condition 4(j) applicable to such Notes. If the Reference Agent or the Issuer determines at any time prior to, on or following any Interest Determination Date, that a Benchmark Event has occurred, the Rate Determination Agent (which may be a third party appointed by NIBC or, if it is not reasonably practicable to appoint such third party, NIBC) (as defined in Condition 4(j)) which may, after using reasonable endeavours to appoint and consult with an Independent Adviser, in its sole discretion, acting in good faith and in a commercially reasonable manner, determine a Replacement Reference Rate, as well as any necessary changes to the business day convention, the definition of business day, the interest determination date, the day count fraction and any method for calculating the Replacement Reference Rate, including any Adjustment Spread (as defined in Condition 4(j)).

The use of the Replacement Reference Rate may result in the Notes that referenced the Reference Rate performing differently (including potentially paying a lower Interest Rate) then they would do if the Reference Rate were to continue to apply in its current form.

Furthermore, the Conditions provide that the Rate Determination Agent (which may be a third party appointed by NIBC or, if it is not reasonably practicable to appoint such third party, NIBC) may vary the Conditions, as necessary to ensure the proper operation of the Replacement Reference Rate, without any requirement for consent or approval of the Noteholders.

The Conditions also provide that an Adjustment Spread may be determined by the Rate Determination Agent to be applied to the Replacement Reference Rate. The aim of the Adjustment Spread is to reduce or eliminate, so far as practicable, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Reference Rate with the Replacement Reference Rate. However there is no

guarantee that such an Adjustment Spread will be determined or applied, or that the application of the Adjustment Spread will either reduce or eliminate economic prejudice to Noteholders. If no Adjustment Spread is determined, the Replacement Reference Rate may nonetheless be used to determine the interest rate.

In addition, if a Benchmark Event has occurred, and the Rate Determination Agent for any reason, is unable to determine the Replacement Reference Rate, the Interest Rate may revert to the Interest Rate applicable as at the last preceding Interest Determination Date before the Benchmark Event occurred, and such Interest Rate will continue to apply until maturity or whenever the Rate Determination Agent is able to determine the Replacement Reference Rate.

The Replacement Reference Rate and other matters referred to under Condition 4(j) will be final and binding, and will apply to the relevant Notes without any requirement that the Issuer obtains consent of any Noteholders. If it is not possible to determine a Replacement Reference Rate under Condition 4(j) or any of the other matters referred to under Condition 4(j), this could result in the application of the fall-back provisions contained in Condition 4(e) and which may ultimately result in the effective application of a fixed rate to what was previously a Note to which a floating rate of interest was applicable.

In addition, due to the uncertainty concerning the availability of a Replacement Reference Rate, the relevant fall-back provisions may not operate as intended at the relevant time. Additionally, the Replacement Reference Rate may perform differently from the Reference Rate. For example, several risk free rates are currently being developed, which are overnight rates, while the Reference Rate generally has a certain maturity, for example a term of one, three or six months. Similarly, these risk free rates generally do not carry an implicit element of credit risk of the banking sector, which does form part of the Reference Rate. The differences between the Replacement Reference Rate and the Reference Rate could have a material adverse effect on the value of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes.

There is a risk that the Rate Determination Agent may be considered an 'administrator' under the Benchmark Regulation

The Rate Determination Agent may be considered an ‘administrator’ under the Benchmark Regulation. This is the case if it is considered to be in control over the provision of the Replacement Reference Rate and/or the determined rate of interest on the basis of the Replacement Reference Rate and any adjustments made thereto by the Rate Determination Agent and/or otherwise in determining the applicable rate of interest in the context of a fall-back scenario. This would mean that the Rate Determination Agent (i) administers the arrangements for determining such rate, (ii) collects, analyses, or processes input data for the purposes of determining such rate and (iii) determines such rate through the application of a method of calculation or by an assessment of input data for that purpose. Furthermore, for the Rate Determination Agent to be considered an ‘administrator’ under the Benchmark Regulation, the Replacement Reference Rate and/or the determined rate of interest on the basis of the Replacement Reference Rate and any adjustments made thereto by the Rate Determination Agent and/or otherwise in determining the applicable rate of interest in the context of a fall-back scenario should be a benchmark (index) within the meaning of the Benchmark Regulation. This may be the case if the Replacement Reference Rate and/or the determined rate of interest on the basis of the Replacement Reference Rate and any adjustments made thereto by the Rate Determination Agent and/or otherwise in determining the applicable rate of interest in the context of a fall-back scenario, is published or made available to the public and regularly determined by the application of a method of calculation or by an assessment, and on the basis of certain values or surveys.

The Benchmark Regulation stipulates that each administrator of a benchmark regulated thereunder or the benchmark itself must be registered, authorised, recognised or endorsed, as applicable, in accordance with the Benchmark Regulation. There is a risk that administrators (which may include the Rate Determination Agent in the circumstances as described above) of certain benchmarks will fail to obtain such registration, authorisation, recognition or endorsement, preventing them from continuing to provide such benchmarks, or may otherwise choose to discontinue or no longer provide such benchmark. In such case, this will also affect the possibility for the Rate Determination Agent to apply the fall-back provision of Condition 4(j) meaning that the Reference Rate will remain unchanged (but subject to the other provisions of Condition 4 (*Interest*)).

Risk related to the intervention powers of the Minister of Finance
The Dutch Act on special measures regarding financial institutions (*Wet bijzondere maatregelen financiële ondernemingen*, the "**Special Measures Financial Institutions Act**"), which has to a large extent been included in the Wft, enables the Dutch Minister of Finance to intervene with a bank, insurer or other type of financial institution or parent undertaking thereof established in the Netherlands, if the Minister of Finance is of the view that the stability of the financial system is in serious and immediate danger due to the situation that the institution is in. The powers of the Minister of Finance consist of (i) the expropriation of assets and/ or liabilities (*onteigening van vermogensbestanddelen*) of the institution, claims against the institution and securities issued by or with the cooperation of the institution and (ii) immediate measures (*onmiddellijke voorzieningen*), which measures may deviate from statutory provisions or the institution's articles of association, such as temporarily depriving the institution's shareholders from exercising their voting rights and suspending a board member or a supervisory board member. Therefore there is a risk that (the enforceability of) the rights and obligations of the parties to the Transaction Documents, including, without limitation, the Sellers, the Swap Counterparty, the Cash Advance Facility Provider and/or the Issuer Account Bank, may be affected on the basis of the Wft, which may lead to losses under the Notes.

Recovery and Resolution Directive and SRM Regulation
The BRRD and the SRM Regulation set out a common European recovery and resolution framework which is composed of three pillars: (i) preparation, by requiring banks and other entities subject to the BRRD/SRM Regulation to draw up recovery plans and resolution authorities to draw up resolution plans, (ii) early intervention powers and (iii) resolution powers. The SRM Regulation applies to banks and banking groups subject to the SSM pursuant to Council Regulation (EU) No 1024/2013 and Regulation (EU) No 1022/2013 and provides for a single resolution mechanism in respect of such banks and banking groups. The BRRD has been transposed into the law of the Netherlands pursuant to the BRRD Implementation Act, which entered into force on 26 November 2015.

In short, the BRRD and the SRM Regulation have introduced a harmonised European framework for the recovery and resolution of banks and large investment firms (and certain affiliated entities) which are failing or likely to fail. To enable the competent authorities to intervene in a timely manner or to resolve an institution, the BRRD and the SRM Regulation give them certain tools and powers. In a resolution scenario, this includes the tools and powers to transfer assets or liabilities to third parties, to write-down or convert ('bail-in') capital instruments or eligible liabilities or to terminate or amend agreements. To ensure that these tools and powers are effective, the BRRD and SRM Regulation require EU member states to impose various requirements on institutions or their counterparties and they provide for exclusion and suspension of contractual rights. The BRRD and SRM Regulation do however also provide for certain safeguards for contractual counterparties. If at any time any such powers are used by DNB in its capacity as national resolution authority or, the Single Resolution Board or any other relevant authority in relation to a counterparty of the Issuer or another party to the Transaction Documents, this could result in losses to, or otherwise affect the rights of, Noteholders and/or could affect the credit ratings assigned to the Notes.

On 23 November 2016 the European Commission proposed the EU Banking Reforms, a comprehensive package of amendments to amongst others the BRRD and SRM Regulation, which aim to further strengthen the European resolution framework by, amongst others, the revision of the minimum requirement for own funds and eligible liabilities, the harmonisation of the priority ranking of unsecured debt instruments under national insolvency proceedings and the introduction of (additional) powers of competent authorities to suspend contractual obligations.

Disclosure requirements
On 6 January 2015, Commission Delegated Regulation 2015/3 (the "**Regulation 2015/3**") on disclosure requirements for the issuer, originator and sponsor of structured finance instruments ("**SFI**") was published in the Official Journal of the EU.

The Regulation 2015/3 applies from 1 January 2017, with the exception of article 6(2) of the CRA Regulation, which applies from 26 January 2015 and obliges ESMA to publish on its website at the latest on 1 July 2016 the technical instructions in accordance with which the reporting entity shall submit data files containing the information to be reported starting from 1 January 2017. As at the date of this Prospectus, certain aspects of the Regulation 2015/3 remain subject to further clarification. It should be noted, however,

that pursuant to the Administration Agreement, the Issuer Administrator has been appointed as the reporting entity in respect of the Notes issued by the Issuer for the purposes of article 8b of the CRA Regulation and the corresponding implementing measures (including the disclosure, reporting and notification requirements under articles 2 to 7 of Regulation 2015/3). Article 8b of the CRA Regulation will be repealed by the Securitisation Regulation.

In the press release dated 27 April 2016, ESMA concluded that the reporting obligations under the CRA Regulation for SFIs may possibly be replaced by obligations based on new rules to be adopted and to be included in the Securitisation Regulation. Accordingly, pursuant to the obligations set forth in Article 7(2) of the Securitisation Regulation, the originator and securitisation special purpose entity ("**SSPE**") of a securitisation shall designate amongst themselves one entity to submit the information set out in points (a), (b), (d), (e), (f) and (g) of the first subparagraph of Article 7(1) of the Securitisation Regulation. The securitisation repository, which authorisation requirements are set out in chapter 4 of the Securitisation Regulation, will in turn disclose information on securitisation transactions to the public. With the application of these provisions, it is assumed that the disclosure requirements of the CRA Regulation concerning SFIs are also addressed. None of the transitory provisions set out in the Securitisation Regulation provide for retroactive effect of the disclosure requirements as set out in Article 7 of the Securitisation Regulation. Rather, it is provided in the Securitisation Regulation that until the regulatory technical standards to be adopted by the Commission pursuant to Article 7(3) of the Securitisation Regulation apply, originators and SSPEs shall, for the purposes of the obligations set out in points (a) and (e) of the first subparagraph of Article 7(1) of the Securitisation Regulation, make the information referred to in Annexes I to VIII of Delegated Regulation (EU) 2015/3 available in accordance with Article 7(2) of the STS Regulation which applies from 1 January 2019 in respect of securitisations the notes of which are issued on or after 1 January 2019. Consequently, in principle the provisions of the Securitisation Regulation on disclosures should not affect the Notes. Following delivery of an STS notification within the meaning of the Securitisation Regulation to ESMA in accordance with Article 27 in conjunction with Article 43 of the Securitisation Regulation, the disclosure requirements as set out in Article 7 of the Securitisation Regulation will become applicable in respect of the Notes, subject to and in accordance with Article 43 of the Securitisation Regulation and replacing the disclosure requirements stemming from the provisions of law applicable prior to 1 January 2019.

On the date of this Prospectus, there remains uncertainty as to the nature and detail of the information to be published, the manner in which it will need to be published and what the consequences would be for the Issuer, related third parties and investors resulting from any potential non-compliance by the Issuer and the Sellers with the reporting obligations.

Risk related to the registration of credit rating agencies under the CRA Regulation

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such credit ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by ESMA on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Should any of the Credit Rating Agencies not be registered or endorsed or should such registration or endorsement be withdrawn or suspended, this may affect the market value of the Notes.

European Market Infrastructure Regulation (EMIR)

The Issuer will be entering into the Swap Agreement, which is an OTC derivative contract. Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories ("**EMIR"**) which entered into force on 16 August 2012 establishes certain requirements for OTC derivative contracts, including mandatory clearing obligations, risk-mitigation techniques for OTC derivative contracts not cleared by a central counterparty, and reporting requirements.

Under EMIR, (i) financial counterparties ("**FCs**") and (ii) non-financial counterparties whose positions in OTC derivatives (including the positions of other non-financial counterparties in its group, but excluding hedging positions) exceed a specified clearing threshold ("**NFC+s**") must clear OTC derivative contracts that have been declared subject to the clearing obligation and that are entered into on or after the effective date for the clearing obligation of such contracts and for that counterparty pair (the "**Clearing Start Date**"). In addition, some FCs and NFC+s will have to, from the relevant Clearing Start Date, clear relevant transactions entered into during a given period leading up to the relevant Clearing Start Date (known as "frontloading").

Swaps, such as the Swap Agreement, have not (yet) been declared subject to the clearing obligation. Such contracts may however be declared subject to the clearing obligation in the future. Contracts which are declared subject to the clearing obligation will have to be cleared through an authorised or recognised central counterparty (CCP) when they trade with each other or with equivalent third country entities, unless an exemption applies.

OTC derivative contracts that are not cleared by a CCP are subject to certain other risk-mitigation requirements, including arrangements for timely confirmation of OTC derivative contracts, portfolio reconciliation, dispute resolution and arrangements for monitoring the value of outstanding OTC derivative contracts. EMIR also contains requirements with respect to the margining by FCs and NFC+s of non-cleared OTC derivative contracts. Certain of these risk mitigation requirements impose obligations on the Issuer in relation to the Swap Agreement. Another risk mitigation requirement under EMIR is the mandatory margining of non-cleared OTC derivative contracts, which is currently being phased in. This requirement does, however, not apply to a non-financial counterparty whose positions in OTC derivatives (including the positions of other non-financial counterparties in its group, but excluding hedging positions) are below the specified clearing threshold ("**NFC-**").

The Issuer is of the view that it qualifies as a NFC-. Furthermore, pursuant to the Securitisation Regulation, securitisation special purpose entities will subject to certain requirements be exempted from the clearing obligation and the margin obligation is expected to be amended to take into account the specified structure of a securitisation arrangement and the protections already provided therein.

The Issuer is not expected to become subject to the margin requirements or the clearing obligation. However, the possibility cannot be excluded that the Issuer may qualify as a NFC+ or does not comply with the requirements for an exemption.

In addition, under EMIR, counterparties must report the conclusion, modification and termination of their OTC and exchange traded derivative contracts to a registered or recognised trade repository or to ESMA where a trade repository is not available. Under the EMIR Delegated Transaction Reporting Agreement entered into between the Issuer and the Swap Provider, the Swap Provider undertakes that it shall ensure that the details of the Swap Agreement will be reported to the trade repository both on behalf of itself and on behalf of the Issuer.

EMIR may, *inter alia*, lead to more administrative burdens and higher costs for the Issuer. In addition to the already applicable requirements under EMIR, there is a risk that the Swap Agreement will have to be centrally cleared or, alternatively, that the Swap Agreement may become subject to the margining requirements for non-cleared OTC derivative contracts. This could lead to higher costs or complications, for instance if the Issuer will be required to enter into a replacement swap agreement or to amend the Swap Agreement in order to comply with these requirements.

Pursuant to article 12(3) of EMIR any failure by a party to comply with the rules under Title II of EMIR should not make the Swap Agreement invalid or unenforceable. However, if any party fails to comply with the rules under EMIR it may be liable for an incremental penalty payment (e.g. if an order for an incremental penalty payment by the competent regulator has not been complied with by the Issuer) or fine. If such a penalty or fine is imposed on the Issuer, the Issuer may have insufficient funds to pay its liabilities in full.

Further to a review of EMIR by the European Commission, on 4 May 2017, it published a proposal for a regulation amending EMIR (the "**EMIR Amending Regulation**"). It includes, amongst others, changes to the reporting requirements and the application of the clearing thresholds for non-financial counterparties, and the introduction of a clearing threshold for FCs. In addition, the EMIR Amending Regulation proposes to extend the exemption to the requirement under EMIR to exchange initial margin or variation margin, to STS

Securitisations, under a set of conditions which are similar to the conditions required for covered bonds. Should the proposed amendments be adopted, then securitisations which do not meet the STS-criteria and which issue securities after 1 January 2019, will be subject to the full requirements of EMIR. The proposed amendments should not be relevant for securities issued prior to 1 January 2019. The EMIR Amending Regulation is currently going through the EU legislative process. Its final form is therefore not yet clear. In addition, the timing for the implementation of the EMIR Amending Regulation as at the date of this Prospectus is unclear. No assurances can be given that any changes made to EMIR would not cause the status of the Issuer to change and lead to some or any of the potentially adverse consequences outlined above.

Volcker Rule

Under Section 619 of the U.S. Dodd-Frank Act and the corresponding implementing rules (the "**Volcker Rule**"), U.S. banks, foreign banks with U.S. branches or agencies, bank holding companies, and their affiliates (collectively, the "Relevant Banking Entities" as defined under the Volcker Rule) are prohibited from, among other things, acquiring or retaining any ownership interest in, or acting as sponsor in respect of, certain investment entities referred to in the Volcker Rule as covered funds, except as may be permitted by an applicable exclusion or exception from the Volcker Rule. In addition, in certain circumstances, the Volcker Rule restricts relevant banking entities from entering into certain credit exposure related transactions with covered funds. Full conformance with the Volcker Rule has been required since 21 July 2015.

Key terms are widely defined under the Volcker Rule, including "banking entity", "ownership interest", "sponsor" and "covered fund". In particular, "banking entity" is defined to include certain non-U.S. affiliates of U.S. banking entities. A "covered fund" is defined to include an issuer that would be an investment company under the Investment Company Act of 1940 but is exempt from registration solely in reliance on section 3I(1) or 3I(7) of that Act, subject to certain exemptions found in the Volcker Rule's implementing regulations. An "ownership interest" is defined to include, among other things, interests arising through a holder's exposure to profits and losses in the covered fund, as well as through any right of the holder to participate in the selection or removal of an investment adviser, manager, or general partner, trustee, or member of the board of directors of the covered fund.

No representation or warranty nor any advice is given or deemed given by any entity named in this Prospectus nor the Arranger, the Managers nor any of their respective affiliates on whether the Issuer may qualify or not as a "covered fund", whether the Notes represent "ownership interests" within the definitions provided for under the Volcker Rule or whether exemptions are available under applicable U.S. laws and regulations in respect of the Issuer.

The Volcker Rule and any similar measures introduced in another relevant jurisdiction may restrict the ability of prospective purchasers to invest in the Notes and, in addition, may have a negative impact on the price and liquidity of the Notes in the secondary market. It is noted in this respect that the Issuer has been advised that the holding of Notes will not constitute ownership interests in a "covered fund" for the purposes of the Volcker Rule.

Prospective investors which are Relevant Banking Entities must rely on their own independent investigation and appraisal of the Issuer and the terms of the offering and should consult their own legal advisers in order to assess whether an investment in the Notes would lead them to violate any applicable provisions of the Volcker Rule. Each investor is responsible for analysing its own position under the Volcker Rule and any similar measures and none of the Issuer, the Arranger, the Managers, the Sellers, the Servicer, the Sub-servicer, the Issuer Account Bank, the Swap Counterparty, the Security Trustee or the Paying Agent makes any representation regarding such position, including with respect to the ability of any investor to acquire or hold the Notes, now or at any time in the future in compliance with the Volcker Rule and any other applicable laws.

U.S. Risk Retention Rules

The U.S. Risk Retention Rules generally require the "securitizer" of a "securitization transaction" to retain at least 5 per cent. of the "credit risk" of "securitized assets", as such terms are defined for purposes of U.S. Risk Retention Rules, and generally prohibit a securitizer from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the securitizer is required to retain. The U.S. Risk Retention Rules also provide for certain exemptions from the risk retention obligations.

Neither the Sellers, nor NIBC intend to retain 5 per cent. of the credit risk of the securitized assets for purposes of the U.S. Risk Retention Rules, but rather intend to rely on a "foreign transaction safe harbor" exemption for non-U.S. transactions under Section 246.20 of the U.S. Risk Retention Rules. To qualify for the "foreign transaction safe harbor" exemption, non-U.S. transactions must meet certain requirements, including that (1) the transaction is not required to be and is not registered under the Securities Act; (2) no more than 10 per cent. of the Notes issued in the securitization transaction are sold or transferred to, or for the account or benefit of, U.S. Risk Retention Persons; (3) neither the sponsor nor the issuer of the securitization transaction is organized under U.S. law or is a branch located in the United States of a non-U.S. entity; and (4) no more than 25 per cent. of the underlying collateral was acquired from a majority-owned affiliate or branch of the sponsor or issuer organized or located in the United States.

The issuance of the Notes was not designed to comply with the U.S. Risk Retention Rules, other than the “foreign transaction safe harbor” exemption under the U.S. Risk Retention Rules, and no other steps have been taken by the Issuer, the Sellers, the Managers or any of their affiliates or any other party to accomplish such compliance. The Managers will not have any liability to the Issuer or the Sellers for compliance with the U.S. Risk Retention Rules by the Issuer or the Sellers or any other person.

The Notes sold as part of the initial distribution of the Notes may not be purchased by U.S. Risk Retention Person. Prospective investors should note that, although the definition of "U.S. person" in the U.S. Risk Retention Rules is substantially the same as the definition of "U.S. person" in Regulation S, the definitions are not identical and persons who are not "U.S. persons" under Regulation S may be "U.S. persons" under the U.S. Risk Retention Rules Each purchaser of Notes, including beneficial interests in such Notes will, by its acquisition of a Note or a beneficial interest in a Note, be deemed, and in certain circumstances will be required, to have made the following representations: that it (1) is not a U.S. Risk Retention Person, (2) is acquiring such Notes or a beneficial interest in such Notes for its own account and not with a view to distribute such Notes, or, in the case of a distributor, will only distribute such Notes to a person who is not a U.S. Risk Retention Person, and (3) is not acquiring such Notes or a beneficial interest in such Notes as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-U.S. Risk Retention Person, rather than a U.S. Risk Retention Person, as part of a scheme to evade the 10 per cent. U.S. Risk Retention Person limitation in the exemption provided for under Section 246.20 of the U.S. Risk Retention Rules).

It is not certain whether the foreign transaction safe harbor exemption from the U.S. Risk Retention Rules will be available. Failure of the offering to comply with the U.S. Risk Retention Rules (regardless of the reason for the failure to comply) could give rise to regulatory action which may adversely affect the Notes. Furthermore, the impact of the U.S. Risk Retention Rules on the securitisation markets generally is uncertain, and a failure by a transaction to comply with the U.S. Risk Retention Rules could negatively affect the market value and secondary market liquidity of the Notes.

The Managers, nor any of its respective affiliates makes any representation to any prospective investor or purchaser of the Notes as to whether the transactions described in this Prospectus comply as a matter of fact with the U.S. Risk Retention Rules on the Closing Date or at any time in the future. Investors should consult their own advisers as to the U.S. Risk Retention Rules. No predictions can be made as to the precise effects of such matters on any investor or otherwise.

Financial transaction tax

On 14 February 2013, the European Commission has published a proposal (the "**Commission’s Proposal**") for a Directive for a common financial transaction tax ("**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated it will not participate.

The Commission’s Proposal has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of the Notes should, however, be exempt.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member

State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State. However, the Commission's Proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Given the lack of certainty surrounding the Commission's Proposal, it is not possible to predict what effect the proposed FTT might have. Prospective investors are advised to seek their own professional advice in relation to the FTT.

No gross-up for taxes

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

Proposed withholding tax on interest in the Netherlands as of 1 January 2021

On 18 September 2018 the Dutch government presented the 2019 Dutch Tax Bill (*Belastingplan 2019*) to the Dutch Lower House. The proposed tax measures focus, amongst others, on combating tax avoidance and tax evasion. Although not part of the legislative proposals published on 18 September 2018, one of the proposed tax measures as published in the 2019 Dutch Tax Bill to prevent the Netherlands being used as a conduit to low tax jurisdictions is the introduction of a withholding tax as of 1 January 2021 on interest payments directly or indirectly made by a Dutch entity to group companies in 'low-tax jurisdictions' or countries that are included in the EU list of non-cooperative jurisdictions. The legislative proposal regarding the introduction of a withholding tax on interest payments is expected to be sent to the Dutch Lower House in 2019.

Based on the proposed legislation on the introduction of a withholding tax on dividends as of 2020 (*Wet bronbelasting 2020*) published together with the 2019 Dutch Tax Bill and the consultation document (*Consultatie fiscaal verdragsbeleid en aanwijzing van laagbelaste staten*) published by the Dutch government on 25 September 2018 (the **Consultation Document**), a jurisdiction will most likely be considered a 'low tax jurisdiction' if the general statutory rate on business profits of such jurisdiction is less than 7%. The Consultation Document contains a draft list of low tax jurisdictions and currently includes Anguilla, Bahamas, Bahrain, Bermuda, British Virgin Islands, Guernsey, Isle of Man, Jersey, Cayman Islands, Kuwait, Palau, Qatar, Saudi Arabia, Turks and Caicos, Vanuatu, and the United Arab Emirates. The Consultation Document precedes the release of the formal list of low tax jurisdictions that should enter into force per 1 January 2019. Taxpayers and other interested parties have the opportunity to provide comments to the draft list up to 22 October 2018.

Since the legislative proposal for the introduction of a withholding tax on interest payments has not been made publicly available yet, at the date of this Prospectus it is not clear what the exact scope and impact of the proposed measure will be. Based on the limited information made publicly available at the date of this Prospectus, it seems unlikely that the proposed measure will apply to interest on debt instruments that are issued in the market or listed. However, it cannot be ruled out that it will have a wider application and, as such, it could potentially be applicable to interest payments on the Notes. If interest payments on the Notes will become subject to withholding or deduction of taxes as a result of the proposed measure, neither the Issuer nor the Paying Agent (as applicable) will be obliged to pay any additional amounts to the Noteholders (see *'No gross-up for taxes*' above).

Prospective investors are advised to seek their own professional advice in relation to the proposed withholding tax on interest payments in the Netherlands as of 1 January 2021.

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 held with the Common Safekeeper for Euroclear and Clearstream, Luxembourg. Interests in each Temporary Global Note will be exchangeable (provided certification of non-

U.S. beneficial ownership by the Noteholders has been received) not earlier than the Exchange Date for interests in the relevant Permanent Global Note in bearer form, with 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 section 4.2 (*Form*). 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.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as applicable.

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, 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 Outstanding of such Notes held by them shall be conclusive for all purposes.

Risk related to absence of Mortgage Reports

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

Class A Notes may not be recognised as eligible Eurosystem collateral

The Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. The Class A Notes will upon issue be deposited with Euroclear or Clearstream, Luxembourg, each of which is a recognised International Central Securities Depository, but this does not necessarily mean that the Class A Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria as amended from time to time, which criteria will

include the requirement that loan-by-loan information be made available to investors in accordance with the template which is available on the website of the European Central Bank. It has been agreed in the Administration Agreement and the Servicing Agreement, respectively, that the Issuer Administrator or, at the instruction of the Issuer Administrator, the Servicer, shall use its best efforts to make such loan-by-loan information available on a quarterly basis which information can be obtained at the website of the European DataWarehouse http://www.eurodw.eu/edwin.html within one month after the Notes Payment Date, for as long as such requirement is effective, to the extent it has such information available. Should such loan-by-loan information not comply with the European Central Bank's requirements or not be available at such time, the Class A Notes may not be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem. The Subordinated Notes are not intended to be held in a manner which allows Eurosystem eligibility.

Application has been made to Euronext Amsterdam for the Notes (other than the Class E Notes) to be admitted to listing on or about the Closing Date. However, there is no assurance that the Notes will be admitted to listing on Euronext Amsterdam. If the Class A Notes will not be admitted to listing, they will not be recognised as Eurosystem eligible collateral.

Credit ratings may not reflect all risks

The credit ratings of the Notes (other than the Class E Notes) addresses the assessment made by the Credit Rating Agencies of the likelihood of full and timely payment of interest and ultimate payment of principal on or before the Final Maturity Date, but does not provide any certainty nor guarantee.

Any decline in the credit ratings of the Notes (other than the Class E Notes) or changes in credit rating methodologies may affect the market value of the Notes. Furthermore, the credit ratings may not reflect the potential impact of all rights related to the structure, market, additional factors discussed above or below and other factors that may affect the value of the Notes.

A credit 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 credit rating organisation if in its judgement, the circumstances in the future so require. The Class E Notes will not be rated.

Risk that the credit ratings of the Notes change

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

Risk related to unsolicited credit ratings on the Notes

Other credit rating agencies that have not been engaged to rate the Notes by the Issuer may issue unsolicited credit ratings on the Notes, other than the Class E Notes, at any time. Any unsolicited credit ratings in respect of any of the Notes may differ from the credit ratings expected to be assigned by the Credit Rating Agencies and may not be reflected in this Prospectus. Issuance of an unsolicited credit rating which is lower than the credit ratings assigned by the Credit Rating Agencies in respect of the Notes, other than the Class E Notes, may adversely affect the market value and/or the liquidity of the Notes.

Risk related to confirmations from Credit Rating Agencies and Credit Rating Agency Confirmations

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

By investing in the Notes, Noteholders are deemed to acknowledge that, notwithstanding the foregoing, a credit rating is an assessment of credit risk and does not address other matters that may be of relevance to the Noteholders. A confirmation from a Credit Rating Agency regarding any action proposed to be taken by the Security Trustee and the Issuer does not, for example, confirm that such action (i) is permitted by the terms of the Transaction Documents or (ii) is in the best interests of, or not prejudicial to, the Noteholders. While Noteholders are entitled to rely on the fact that the Credit Rating Agencies have confirmed that the then current credit rating of the relevant Class or Classes of Notes would not be adversely affected, it is expressly agreed and acknowledged by the Security Trustee and specifically notified to the Noteholders (and to which they are bound by the Conditions) that the above does not impose or extend any actual or contingent liability for the Credit Rating Agencies to the Security Trustee, the Noteholders or any other person or create any legal relations between the Credit Rating Agencies and the Security Trustee, the Noteholders or any other person whether by way of contract or otherwise.

Any confirmation from the relevant Credit Rating Agency may or may not be given at the sole discretion of each Credit Rating Agency. It should be noted that, depending for example on the timing of delivery of the request and any information needed to be provided as part of any such request, it may be the case that a Credit Rating Agency cannot provide a confirmation in the time available or at all, and the relevant Credit Rating Agency shall not be responsible for the consequences thereof. Confirmation, if given by the relevant Credit Rating Agency, will be given on the basis of the facts and circumstances prevailing at the relevant time and in the context of cumulative changes to the transaction of which the securities form part since the Closing Date.

A confirmation from the relevant Credit Rating Agency represents only a restatement or confirmation of the opinions given as at the Closing Date and cannot be construed as advice for the benefit of any parties to the transaction.

Furthermore, it is noted that the defined term "Credit Rating Agency Confirmation" as used in this Prospectus and the Transaction Documents and which is relied upon by the Security Trustee, does not only refer to the situation that the Security Trustee has received a confirmation from each Credit Rating Agency that the then current credit ratings of the Notes will not be adversely affected by or withdrawn as a result of the relevant matter (a "confirmation"), but also includes:

- if no confirmation is forthcoming from any Credit Rating Agency, a written indication, by whatever means of communication, from such Credit Rating Agency that it does not have any (or any further) comments in respect of the relevant matter (an "indication"), or

- if no confirmation and no indication is forthcoming from any Credit Rating Agency and such Credit Rating Agency has not communicated that the then current credit ratings of the Notes will be adversely affected by or withdrawn as a result of the relevant matter or that it has comments in respect of the relevant matter: (i) a written communication, by whatever means, from such Credit Rating Agency that it has completed its review of the relevant matter and that in the circumstances (x) it does not consider a confirmation required or (y) it is not in line with its policies to provide a confirmation; or (ii) if such Credit Rating Agency has not communicated that it requires more time or information to analyse the relevant matter, evidence that 30 days have passed since such Credit Rating Agency was notified of the relevant matter and that reasonable efforts were made to obtain a confirmation or an indication from such Credit Rating Agency (see section 9.1 (*Glossary of defined terms*)).

Thus, Noteholders incur the risk of losses under the Notes when relying solely on a Credit Rating Agency Confirmation, including on a confirmation from each Credit Rating Agency that the then current credit ratings of the Notes will not be adversely affected by or withdrawn as a result of the relevant matter. Furthermore, if no confirmation or indication is forthcoming from any Credit Rating Agency and confirmation of the Credit Rating Agencies is implied in accordance with the definition of Credit Rating Agency Confirmation, the Credit Rating Agencies may nevertheless downgrade the credit ratings assigned to the Notes, which could lead to losses under the Notes.

Due to the dependency on the performance of the relevant counterparties of their obligations in connection with this transaction, a deterioration of the credit quality of any of these counterparties (including a reduction in the credit rating of NIBC, the Cash Advance Facility Provider, the Issuer Account Bank, the Foundation

Accounts Provider, the or the Swap Counterparty) may have an adverse effect on the rating of one or all classes of Notes. Any downgrade of the ratings may have a negative effect on the value of the Notes.

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

Conflict of interest
Certain Transaction Parties may act in different capacities in relation to the Transaction Documents (such as NIBC in its capacity as the Arranger, the Subordinated Notes Manager, the Servicer, the Issuer Administrator and the Listing Agent; ING Bank N.V. in its capacity as a Class A Manager, the Swap Counterparty and the Cash Advance Facility Provider; and Société Générale S.A. in its capacity as a Class A Manager and the Issuer Account Bank) and may also be engaged in other commercial relationships (in particular with regard to NIBC, be part of the same group as the Sellers), provide banking, investment and other financial services to the Transaction Parties. In such relationships, *inter alios*, the Arranger, the Subordinated Notes Manager, the Servicer, the Issuer Administrator, the Listing Agent, the Class A Managers, the Swap Counterparty, the Cash Advance Facility Provider and the Issuer Account Bank are not obliged to take into consideration the interests of the Noteholders. Consequently, potential conflict of interest may arise.

RISK FACTORS REGARDING THE MORTGAGE RECEIVABLES

Risk related to payments received by a Seller prior to notification of the assignment to the Issuer
Under Dutch law, assignment of the legal title of claims, such as the Mortgage Receivables, can be effectuated by means of a notarial deed of assignment or a private deed of assignment and registration thereof with the appropriate tax authorities, without notification of the assignment to the debtors being required (*stille cessie*). The legal title of the Relevant Mortgage Receivables will be assigned on the Closing Date and, in respect of the Relevant New Mortgage Receivables on the Notes Payment Date whereon the Relevant New Mortgage Receivables are purchased, by the relevant Seller to the Issuer through a Deed of Assignment and Pledge and registration thereof with the appropriate tax authorities. The Mortgage Receivables Purchase Agreement will provide that the assignment of the Relevant Mortgage Receivables by the relevant Seller to the Issuer will not be notified by the relevant Seller or, as the case may be, the Issuer to the Borrowers except if any of the Assignment Notification Events occur. For a description of these notification events reference is made to section 7.1 (*Purchase, repurchase and sale*).

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

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

The risks set out in the preceding two paragraphs, are mitigated by the following structural features. Each Borrower has given a power of attorney to the Sellers or the Sub-servicer respectively to direct debit his account for amounts due under the relevant Mortgage Loan. The Sellers will undertake or procure that the

Sub-servicer undertakes to direct debit all amounts of principal and interest to the relevant Collection Foundation Accounts maintained by the Collection Foundation which is a bankruptcy remote foundation (*stichting*). In addition each Seller has represented that it has given and will give instruction to the relevant Insurance Companies to pay any amounts in respect of the Beneficiary Rights into the Collection Foundation Accounts. The Collection Foundation Accounts are maintained by Stichting Ontvangsten Hypotheekgelden in respect of each of the Sellers. The Collection Foundation will have a claim against ABN AMRO Bank as Foundation Accounts Provider (or its successor) as the bank where such accounts are held, in respect of the balances standing to credit of the Collection Foundation Accounts.

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

Upon receipt of such amounts, the Collection Foundation will distribute to the Issuer or, after the Enforcement Date, to the Security Trustee any and all amounts relating to the Relevant Mortgage Receivables received by it on the relevant Collection Foundation Account, in accordance with the relevant provisions of the Receivables Proceeds Distribution Agreement. Pursuant to the Receivables Proceeds Distribution Agreement NIBC and after an insolvency event relating to NIBC, the Sub-servicer respectively will perform such payment transaction services on behalf of the Collection Foundation (see for a description of the cash collection arrangements section 5 (*Credit Structure*).

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

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

within the meaning of section 3:166 of the Dutch Civil Code and thus whether it is enforceable in the event of bankruptcy or suspension of payments of one of the pledgees.

Risk that set-off by Borrowers may affect the proceeds under the Mortgage Receivables

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

In respect of the Relevant Mortgage Receivables sold by Hypinvest, reference is made to the representation made by it that (i) it owes no amounts to a Borrower under a savings account or a current account or another account relationship and (ii) no deposits have been accepted by it from any Borrower. NIBC offers savings accounts and term deposits to its customers, which may include Borrowers. Such savings account or term deposit is a contract between NIBC and the customer, which may also be a Borrower, whereas the Mortgage Loan is a contract between the relevant Seller and the Borrower. In these circumstances one of the requirements for set-off, i.e. that the Borrower must have a claim which corresponds to his debt to the same counterparty, is not met. The Issuer has been advised that, in view of the representations by Hypinvest that any such savings account and the Mortgage Loan are offered in such manner that it is clear to the Borrower that (i) the savings account is held with NIBC, (ii) the Mortgage Loan is granted by the relevant Seller and (iii) NIBC and the relevant Seller are different legal entities, in principle the Borrower will not have a right of set-off. However the Borrower may possibly establish that set-off is allowed, if the savings account or the term deposit and the Mortgage Loan are to be regarded as one inter-related legal relationship. In view of the representation by Hypinvest that (i) neither NIBC nor any intermediary offers the Mortgage Loans and the savings accounts or the term deposits as products which are in any way connected, (ii) the Mortgage Loan and the savings account or the term deposit are not connected, for example by means of set-off provisions, (iii) the savings account or the term deposit and the Mortgage Loan are not offered at the same time and (iv) the rights under the savings account or the term deposit will not be pledged to the Seller as security for the Mortgage Loan, the Issuer has been advised that the Mortgage Loan and the savings account will not be regarded as one inter-related legal relationship and based upon these representations, and subject to what is stated otherwise in this paragraph, the Borrower will likely not have the right to set off the balance on a savings account or term deposit with NIBC with amounts due under a Mortgage Loan.

The Issuer has been informed with respect to Mortgage Loans originated by NIBC Direct Hypotheken that these Mortgage Loans are originated under the brand name NIBC Direct. The brand name NIBC Direct is also used by NIBC Bank N.V. as trade name for deposit accounts held with it and that in most of the cases the balance on such deposit account can be withdrawn at any time and, consequently, such balance is due and payable at any time. In respect of these Mortgage Loans originated by NIBC Direct Hypotheken the Issuer has been advised that, to the extent the Mortgage Loans are transferred to the Issuer by NIBC Direct Hypotheken, there is a considerable risk (*een aanmerkelijk risico*) that a set-off or defence with respect to the amounts due under the Mortgage Loans by the Borrowers and deposits such Borrowers hold with NIBC Bank N.V. (if any) would be successful in view of, *inter alia*, the close connection between the Mortgage Loans originated by NIBC Direct Hypotheken and the deposit accounts held with NIBC Bank N.V.

In the Mortgage Receivables Purchase Agreement, each of the Sellers represents that the Mortgage Conditions applicable to the Relevant Mortgage Loans provide that all payments by the Borrowers should be made without any set-off. Although such clause is intended as a waiver by the relevant Borrowers of their set-off rights vis-à-vis the relevant 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 section.

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

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

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

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

Risk related to the Construction Deposits being set-off with the Mortgage Receivable

The Construction Deposits are deposited on an account with the relevant Seller which is pledged to such Seller. Such amount will be paid out in case certain conditions are met. Each Seller has undertaken to pay out deposits in connection with a Construction Deposit to the Borrower to pay for such construction or improvement if certain conditions are met. If a Seller is unable to pay the relevant Construction Deposit to the Borrower, such Borrower may invoke defences or set-off such amount with its payment obligation under the Mortgage Loan. This risk is mitigated as follows. The Issuer and the Sellers 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 Deposits as per the Closing Date or, in case of a purchase and assignment of New Mortgage Receivables, on the relevant purchase date. Such amount will be deposited by the Issuer on the Construction Deposit Account. On each Notes Payment Date, the Issuer will release from the Construction Deposit Account such part of the Initial Purchase Price which equals the difference between the aggregate Construction Deposits and the balance standing to the credit of the Construction Deposit Account and pay such amount to the relevant Seller, except if and to the extent the Borrower has invoked his right set-off or other defences.

Pursuant to the Mortgage Conditions in respect of the Mortgage Loans, Construction Deposits have to be

paid out within six (6) to twenty-four (24) months (depending on the loan product). After such period, any remaining Construction Deposits will either (i) be paid out by the relevant Seller to the relevant Borrower and consequently the remaining relevant part of the Initial Purchase Price will be paid by the Issuer to the relevant Seller or (ii) if the Construction Deposit exceeds EUR 7,500 respectively 2,500 as the case may be (depending on the applicable Mortgage Conditions), be set-off against the Mortgage Receivable, up to the amount of the remaining Construction Deposit, in which case the Issuer shall have no further obligation towards the Sellers to pay the remaining relevant part of the Initial Purchase Price and an amount equal to such part of the Initial Purchase Price will be debited from the Construction Deposit Account on such Notes Payment Day and will form part of the Available Principal Funds.

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 Deposits are considered to be existing receivables. It could be argued that such part of the Mortgage Receivable concerned comes into existence only when and to the extent the Construction Deposit is paid out. If the part of the Mortgage Receivable relating to the Construction Deposit is to be regarded as a future receivable, the assignment and/or pledge of such part will not be effective if the Construction Deposit is paid out on or after the date on which the relevant Seller is declared bankrupt or has become subject to emergency regulations. In such a situation, the Issuer will have no further obligation to pay out to the relevant Seller the remaining of the Initial Purchase Price.

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

The mortgage deeds relating to the Mortgage Receivables to be sold and assigned to the Issuer provide for All Moneys Mortgages, meaning that the mortgage rights created pursuant to such mortgage deeds not only secure the loan granted by the relevant Seller to the Borrower for the purpose of acquiring the relevant Mortgaged Asset, but also for other liabilities and moneys that the Borrower, now or in the future, may owe to the relevant Seller. The Mortgage Loans also provide for rights of pledge granted in favour of the relevant Seller, which are All Moneys Pledges.

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

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

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

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

security right, will be a matter of interpretation of the relevant deed creating the security right.

The Mortgage Conditions applicable to some of the Mortgage Loans stipulate that in case of assignment of the Mortgage Receivable, the All Moneys Security Right or the All Money Mortgage, as applicable, will follow the Mortgage Receivable upon its assignment or pledge. These stipulations are a clear indication of the intentions of the parties in this respect. The Issuer has been advised that, in the absence of circumstances giving an indication to the contrary, the inclusion of these provisions in some of the Mortgage Loans makes it clear that the All Moneys Security Right should (partially) follow the Mortgage Receivable as accessory and ancillary right upon its assignment, but that there is no case law explicitly supporting this advice.

The Mortgage Conditions applicable to the other Mortgage Loans do not contain any explicit provision on the issue whether the All Moneys Security Right or the All Moneys Pledge, as applicable, follow the Mortgage Receivable upon its assignment or pledge. In these cases there is no clear indication of the intention of the parties. The Issuer has been advised that also in such case the All Moneys Security Right should (partially) follow the receivable as accessory and ancillary right upon its assignment, but that there is no case law explicitly supporting this advice and that, consequently, it is not certain what the Netherlands courts would decide if this matter were to be submitted to them, particularly taking into account the prevailing view of Dutch legal commentators on All Moneys Security Rights in the past as described above, which view continues to be defended by some legal commentators.

Furthermore, with respect to the NHG Mortgage Loan Receivables it is noted that if the Issuer or the Security Trustee, as the case may be, does not have the benefit of the All Moneys Mortgage, it also will not be entitled to claim under any NHG Guarantee. If an All Moneys Mortgage has not (partially) followed the Mortgage Receivable upon its assignment, the Issuer and/or the Security Trustee will not have the benefit of such security right. This will materially affect the ability of the Issuer to take recourse on the Mortgaged Asset and the Borrower in case the Borrower defaults under the Mortgage Loans and may affect the ability of the Issuer to meet its payment obligations under the Notes.

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

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

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

Where the All Moneys Security Rights are jointly-held by both the Issuer or the Security Trustee and the relevant Seller, the rules applicable to a joint estate (*gemeenschap*) apply. The Dutch Civil Code provides for various mandatory rules applying to such jointly-held rights. In the Mortgage Receivables Purchase Agreement each Seller, the Issuer and the Security Trustee have agreed that the Issuer and/or the Security Trustee (as applicable) will manage and administer such jointly-held rights. Certain acts, including acts concerning the day-to-day management (*beheer*) of the jointly-held rights, may under Dutch law be transacted by each of the participants (*deelgenoten*) in the jointly-held rights. All other acts must be transacted by all of the participants acting together in order to bind the jointly-held rights. It is uncertain whether the foreclosure of the All Moneys Security Rights will be considered as day-to-day management, and, consequently it is uncertain whether the consent of the relevant Seller, the relevant Seller's bankruptcy trustee (*curator*) (in case of bankruptcy) or administrator (*bewindvoerder*) (in case of suspension of payments or emergency regulations), as the case may be, may be required for such foreclosure.

Each Seller, the Issuer, NIBC and the Security Trustee will agree that in case of foreclosure the share (*aandeel*) in each jointly-held All Moneys Security Rights of the Issuer and/or the Security Trustee will be equal to the Outstanding Principal Amount of the Relevant Mortgage Receivable, increased with interest and costs, if any, and the share of the relevant Seller will be equal to the Net Foreclosure Proceeds less the Outstanding Principal Amount, increased with interest and costs, if any. The Issuer has been advised that although a good argument can be made that this arrangement will be enforceable against the relevant Seller

or, in case of its bankruptcy or emergency regulations, its bankruptcy trustee or administrator, as the case may be, this is not certain. Furthermore, it is noted that this arrangement may not be effective against the Borrower.

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

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

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

Risk that the mortgage rights on long leases cease to exist

The mortgage rights securing the Mortgage Loans may be vested on a long lease (*erfpacht*), as further described in section 6.2 (*Description of Mortgage Loans*). A long lease will, *inter alia*, end as a result of expiration of the long lease term (in case of a lease for a fixed period), or termination of the long lease by the leaseholder or the landowner. The landowner can terminate the long lease in the event the leaseholder has not paid the remuneration (*canon*) due for a period exceeding two (2) consecutive years or seriously breaches (*in ernstige mate tekortschiet*) other obligations under the long lease. In case the long lease ends, the landowner will have the obligation to compensate the leaseholder. In such event the mortgage right will, by operation of law, be replaced by a right of pledge on the claim of the (former) leaseholder on the landowner for such compensation. The amount of the compensation will, *inter alia*, be determined by the conditions of the long lease and may be less than the market value of the long lease.

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

Accordingly, certain Mortgage Loans may become due and payable prematurely as a result of early termination of a long lease due to a leaseholder's default or for other reasons. In such event there is a risk that the Issuer will upon enforcement receive less than the market value of the long lease, which could lead to losses under the Notes.

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

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

To the extent the Borrower Insurance Pledges secure the same liabilities as the All Moneys Mortgages (and

should therefore be regarded as All Moneys Pledges), reference is made to '*Risk that the All Moneys Security Rights will not follow the Mortgage Receivables upon assignment to the Issuer*' above.

Risks relating to Beneficiary Rights under the Insurance Policies

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

The relevant Seller will only have a claim on the relevant Insurance Company as beneficiary if it accepts the appointment as beneficiary by delivering a statement to this effect to the Insurance Company. The relevant Seller can only accept such appointment as beneficiary by written notification to the relevant Insurance Company of (i) the acceptance and (ii) the written consent by the insured, unless the appointment as beneficiary has become irrevocable.

The Beneficiary Rights will be assigned by the relevant Seller to the Issuer and will be pledged to the Security Trustee by the Issuer (see section 4.7 (*Security*)). The assignment and pledge of the Beneficiary Rights will only be completed upon written notification to the Insurance Company, which is not expected to occur prior to the occurrence of an Assignment Notification Event. However, the Issuer has been advised that it is uncertain whether this assignment and pledge will be effective.

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

If the Issuer or the Security Trustee, as the case may be, has not become beneficiary of the Insurance Policies or the assignment and pledge of the Beneficiary Rights is not effective, any proceeds under the Insurance Policies will be payable to the relevant Seller or to another beneficiary rather than to the Issuer or the Security Trustee, as the case may be. If the proceeds are paid to the relevant Seller, it will pursuant to the Mortgage Receivables Purchase Agreement be obliged to pay the amount involved to the Issuer or the Security Trustee, as the case may be. If the proceeds are paid to the relevant Seller and the relevant Seller does not pay such amount to the Issuer or the Security Trustee, as the case may be, e.g. in case of bankruptcy of the relevant Seller, or if the proceeds are paid to another beneficiary instead of the Issuer or the Security Trustee, as the case may be, this may result in the amount paid under the Insurance Policies not being applied in reduction of the Relevant Mortgage Receivables. This may lead to the Borrower invoking set-off or defences against the Issuer or, as the case may be, the Security Trustee for the amounts so received by the relevant Seller or another beneficiary, as the case may be. However, the Issuer has been advised that payments by the Insurance Companies into the Collection Foundation Accounts will fall outside the estate of the Sellers. The Collection Foundation will be obliged to forward such amount to the Issuer, as agreed between the Issuer and the Seller. In case of insolvency of the Seller, a liquidator would be bound by such agreement.

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

Under certain types of Mortgage Loans the relevant Seller has the benefit of rights under Insurance Policies with Insurance Companies. Under the Insurance Policies the Borrowers pay premium consisting of a risk element and a savings or investment element. The intention of the Insurance Policies is that at maturity of the relevant Mortgage Loan, the proceeds of the savings or investments can be used to repay the relevant

Mortgage Loan, whether in full or in part. If any of the Insurance Companies is no longer able to meet its obligations under the Insurance Policies, for example as a result of bankruptcy or having become subject to emergency regulations, this could result in the amounts payable under the Insurance Policies either not, or only partly, being available for application in reduction of the Relevant Mortgage Receivables. This may lead to the Borrowers trying to invoke set-off rights and defences which may have the result that the Mortgage Receivables will be, fully or partially, extinguished (*teniet gaan*) or cannot be recovered for other reasons, which could lead to losses under the Notes.

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

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

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

Life Mortgage Loans

In respect of Life Mortgage Loans originated by the Sellers where the Borrowers have taken out Life Insurance Policies with any of the Insurance Companies, other than Life Mortgage Loans to which the Life Insurance Policies described in the two succeeding paragraphs are connected, the Issuer has been advised that it is unlikely that a court would honour set-off or defences of the Borrowers, as described above, taking into account that (i) each Seller will represent and warrant that each Life Mortgage Loan has the benefit of a

valid right of pledge on the rights under a Life Insurance Policy, (ii) the relevant Life Mortgage Loans and the Life Insurance Policies are not marketed as one combined mortgage and life insurance product or under one name, (iii) the Borrowers are free to choose the relevant Insurance Company, (iv) the Insurance Company is not a group company of the relevant Seller, and that (v) to the best of its knowledge there are no circumstances resulting in a connection between the relevant Life Mortgage Loan and the relevant Life Insurance Policy other than the relevant Borrower Insurance Pledge and the relevant Beneficiary Rights, which would increase the risk that a court will honour set-off or defences invoked by Borrowers. However, if any circumstances which would result in a connection (as set out in (i) up to and including (iv) above) between the Life Mortgage Loan and a Life Insurance Policy exist, the risk that the courts will honour set-off or defences invoked by Borrowers, as described above, will increase.

In respect of the Life Mortgage Loans associated with a Life Insurance Policy entered into with (i) ASR Verzekeringen N.V. to the extent it is the legal successor of Falcon Leven N.V., Erasmus Leven (a trade name of Nationale Nederlanden Levensverzekering N.V.), (ii) SRLEV N.V. to the extent it is a legal successor of Axa Leven N.V., Reaal Levensverzekering N.V., Zürich Lebensversicherungs-Gesellschaft or DBV Levensverzekeringmaatschappij N.V., or (iii) Cordares Levensverzekeringen (a trade name of Loyalis Leven N.V.) or Goudse Levensverzekeringen N.V. (formally known as Goudse Levensverzekering Maatschappij N.V.), (iv) APL, to the extent originated by Hypinvest, or (v) Allianz, to the extent originated by Hypinvest (to the extent it is the successor of Estate Hypotheken B.V. and Royal Residentie Hypotheken B.V.), or (vi) Nederlandsche Algemeene Maatschappij van Levensverzekering "Conservatrix" N.V., to the extent originated by Hypinvest Hypotheken B.V. (to the extent it is the successor of Nationale Hypotheek Maatschappij B.V.), the Issuer has been informed that the Life Mortgage Loans have also been marketed in the relevant brochures under the name of the relevant Life Insurance Company as one product with the associated Life Insurance Policy, under the trade name of the relevant Life Insurance Company on behalf of the relevant Seller (which is not a group company of any of the relevant Life Insurance Companies). In respect of these Mortgage Loans, the Issuer has been advised that, given the commercial connection, the possibility can certainly not be excluded (*de mogelijkheid kan zeker niet worden uitgesloten*) that in the event that the Borrowers cannot recover their claims under these Life Insurance Policies from the relevant Life Insurance Company, the courts will honour set-off or defences invoked by Borrowers, as described above.

Risk of set-off or defences in respect of investments under Investment Mortgage Loans
The Sellers have represented that under the Investment Mortgage Loans the securities are purchased for the account of the Borrowers by a bank or an investment firm (*beleggingsonderneming*), which are by law obliged to ensure that these securities are held in custody in accordance with the Wge (only possible for securities as defined in the Wge), through a bank or through a separate depositary vehicle (*bewaarinstelling*). The Issuer has been advised that on the basis of this representation the relevant investments should be effectuated on a bankruptcy remote basis and that, in respect of these investments, the risk of set-off or defences by the Borrowers should not be relevant in this respect. However, if this is not the case and the investments were to be lost, this may lead to the Borrowers trying to invoke set-off rights or defences against the Issuer on similar grounds under '*Set-off by Borrowers may affect the proceeds under the Mortgage Receivables*' and *'Risk of set-off and defences by Borrowers in case of insolvency of Insurance Companies*'.

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

Risk relating to Further Advances
Part of the Mortgage Receivables sold and assigned to the Issuer relate to Mortgage Loans which have been originated by Originators other than the Sellers. All rights and obligations under these Mortgage Loans have been transferred (*contractsoverneming*) to the relevant Seller. The Issuer has been advised that in case of such transfer (other than by means of assignment) it is not certain whether any Further Advances granted, or to be granted, by the relevant Seller after any such transfer are validly secured by the mortgage right and borrower pledges vested in favour of the Originator. For this question it is relevant, *inter alia*, whether the Further Advance resulted from the same legal relationship as the Mortgage Loan or whether it constitutes a new legal relationship. If a Further Advance Receivable is transferred to the Issuer on the

Closing Date and it is clear that it is not validly secured by a mortgage right, this constitutes a breach of the representations and warranties granted by the relevant Seller, resulting in an obligation of the relevant Seller to repurchase the relevant Further Advance Receivable. To the extent that a Further Advance is granted after the Closing Date, the relevant Seller will be obliged to repurchase the Relevant Mortgage Receivable. If in such event the relevant Seller does not repurchase the Relevant Mortgage Receivable for whatever reason, this constitutes a breach of the representations and warranties granted by the relevant Seller and the Issuer will own a Relevant Mortgage Receivable that may not be validly secured by the mortgage right and borrower pledges vested in favour of the relevant Originator until it is repurchased.

Risk that interest rate reset rights will not follow Mortgage Receivables

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

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

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

Since 2006, an issue has arisen in the Netherlands regarding the costs of investment insurance policies (*beleggingsverzekeringen*), such as the Life Insurance Policies, commonly known as the "usury insurance policy affair" (*woekerpolisaffaire*). It is generally alleged that the costs of these products are disproportionally high, that in some cases a legal basis for such costs is lacking and that the information provided to the insured regarding these costs has not been transparent. The discussion on the costs of the investment insurance policies is currently still continuing. Rulings of courts, including the Dutch Supreme Court (*Hoge Raad der Nederlanden*) and the Complaint Institute for Financial Services (*Klachteninstituut Financiële Dienstverlening*) have been published, some of which are still subject to appeal, which were generally favourable for consumers.

If Life Insurance Policies related to the Mortgage Loans would for the reasons described in this paragraph be dissolved or terminated, this will affect the collateral granted to secure these Mortgage Loans (the Borrower Insurance Pledges and the Beneficiary Rights would cease to exist). The Issuer has been advised that, depending on the particular circumstances involved, in such case the Mortgage Loans connected thereto can possibly also be dissolved or nullified, but that this may be different depending on the particular circumstances involved. Even if the Mortgage Loan is not affected, the Borrower may invoke set-off or other

defences against the Issuer. The analysis in that situation is similar to the situation in case of insolvency of the insurer, except if the relevant Seller is itself liable, whether jointly with the insurer or separately, *vis-à-vis* the Borrower. In this situation, which may depend on the involvement of the relevant Seller in the marketing and sale of the insurance policy, set-off or defences against the Issuer could be invoked, which will probably only become relevant if the insurer and/or the relevant Seller will not indemnify the Borrower. Any such set-off or defences could lead to losses under the Notes.

Risk related to prepayments on the Mortgage Loans

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

Risk related to interest rate averaging

The Sellers offer interest rate averaging (*rentemiddeling*) to borrowers. In case a borrower of a mortgage loan applies for interest rate averaging (*rentemiddeling*), such borrower is offered a new fixed interest rate, whereby the (agreed-upon) fixed interest will be reduced taking into account the current interest rate offered by such offeror for the relevant period, the risk profile, the break costs for the fixed interest and a small surcharge. It should be noted that interest rate averaging (*rentemiddeling*) - when offered to a borrower - may have a downward effect on the interest received on the relevant Mortgage Loans, which could lead to losses under the Notes. NIBC Direct Hypotheken offers automatic risk category adjustment which may also have a downward effect on the interest received on the relevant Mortgage Loans and can lead to losses under the Notes

On 20 March 2017, the AFM published guidelines with principles for calculating the prepayment penalty that may be charged in case of a prepayment of a mortgage loan. Although the guidelines do not directly apply to interest rate averaging, the AFM expects providers of mortgage loans to act in the best interest of the borrower. Furthermore, the AFM announced that it will investigate whether providers of mortgage loans always act in accordance with the borrowers' interest. In this respect, the AFM could decide to argue for adjustment of the legislation concerning interest rate averaging, which depending on the adjustment may have a downward effect on the interest received on the relevant Mortgage Loans, which could lead to losses under the Notes.

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

Payments on the Mortgage Receivables are subject to credit, liquidity and interest rate risks. This may be due to, among other things, market interest rates, general economic conditions, the financial standing of Borrowers and similar factors. Other factors such as loss of earnings or liquidity, 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. The ultimate effect of this could lead to delayed and/or reduced amounts received by the Issuer which as a result could lead to delayed and/or reduced payments on the Notes and/or the increase or decrease of the rate of repayment of the Notes.

Risks of losses associated with declining values of Mortgaged Assets

The security for the Notes created pursuant to the Issuer Mortgage Receivables Pledge Agreement and the Deed of Assignment and Pledge may be affected by, among other things, a decline in the value of the

Mortgaged Assets. The value of the Mortgaged Assets is exposed to decreases in real estate prices, arising for instance from downturns in the economy generally, oversupply of properties in the market, and changes in tax regulations related to housing (such as the decrease in deductibility of interest on mortgage payments). Furthermore, the value of the Mortgaged Assets is exposed to destruction and damage resulting from floods and other natural and man-made disasters.

In addition, a forced sale of those properties may, compared to a private sale, result in a lower value of such properties. A decline in value may result in losses to the Noteholders if such security is required to be enforced. To the extent that specific geographic regions within the Netherlands have experienced or may experience in the future weaker economic conditions and housing markets than other regions, a concentration of the loans in such a region could exacerbate certain risks relating to the Mortgage Loans. These circumstances could affect receipts on the Mortgage Loans and ultimately result in losses on the Notes. See further sections 6.2 (*Description of Mortgage Loans*) and 6.4 (*Dutch residential mortgage market*).

Valuations commissioned as part of the origination of Mortgage Loans, represent the analysis and opinion of the appraiser performing the valuation at the time the valuation is prepared and are not guarantees of, and may not be indicative of, present or future value. There can be no assurance that another person would have arrived at the same valuation, even if such person used the same general approach to and same method of valuing the property.

No assurance can be given that values of the Mortgaged Assets have remained or will remain at the level at which they were on the date of origination of the related Mortgage Loans. For example, house prices in the Netherlands have on average (regional differences in the rate of change can be noticed) declined between 2008 and 2013 and increased in recent years (see in this respect section 6.4 (*Dutch residential mortgage market*)). A decline in value may result in losses to the Noteholders if the relevant security rights on the Mortgaged Assets are required to be enforced. The Sellers will not be liable for any losses incurred by the Issuer in connection with the Mortgage Receivables.

Risks related to NHG Guarantee

NHG Mortgage Loans will have the benefit of an NHG Guarantee. Pursuant to the terms and conditions (*voorwaarden en normen*) applicable to the NHG Guarantee, the Stichting 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. Each Seller will in the Mortgage Receivables Purchase Agreement represent and warrant that (i) each NHG Guarantee connected to the relevant NHG Mortgage Loan was granted for the full Outstanding Principal Amount of the relevant NHG Mortgage Loan at origination and constitutes legal, valid and binding obligations of the Stichting WEW, enforceable in accordance with their terms, (ii) all terms and conditions (*voorwaarden en normen*) applicable to the relevant NHG Guarantee at the time of origination of the NHG Mortgage Loans were complied with and (iii) it is not aware of any reason why any claim made in accordance with the requirements pertaining thereto under any NHG Guarantee in respect of the NHG Mortgage Loan should not be met in full and in a timely manner. The Sellers will undertake in the Mortgage Receivables Purchase Agreement to repurchase and accept reassignment of the Relevant Mortgage Receivables subject to certain conditions in case any such representation or warranty is breached. The remaining risk is that the Sellers will not repurchase or will not be able to repurchase the Relevant Mortgage Receivables for whatever reason.

Furthermore, the terms and conditions of the NHG Guarantees stipulate that each NHG Guarantee (irrespective of the type of redemption of the mortgage loan) 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 NHG Mortgage Loan can be different (see section 6.2 (*Description of Mortgage Loans*)), although it should be noted that as of 1 January 2013 the NHG Conditions stipulate that for new borrowers, the redemption types are limited to Annuity Mortgage Loans and Linear Mortgage Loans with a maximum term of thirty (30) years. In addition, in respect of mortgage loans originated after 1 January 2014, a deductible has been introduced which is applicable to claims under the NHG Guarantees. On any claim vis-à-vis Stichting WEW for a loss incurred, a deduction of 10 per cent. will be applied. The lender is not entitled to recover this amount from the borrower. This may result in the Issuer not being able to fully recover a loss incurred with the Stichting WEW under the NHG Guarantee and may lead to a Realised Loss in respect of such NHG Mortgage Loan and consequently, in

the Issuer not being able to fully repay the Notes. For a description of the NHG Guarantees, see section 6.5 (*NHG Guarantee Programme*).

Risk that the credit rating of the State of the Netherlands will be lowered

The credit ratings assigned to the Notes (other than the Class E Notes) by the Credit Rating Agencies take into account the NHG Guarantee granted in connection with certain of the Mortgage Receivables. The NHG Guarantee is backed by the State of the Netherlands (see section 6.5 (*NHG Guarantee Programme*)) which is currently rated 'AAA' (stable outlook) by Fitch and 'Aaa' by Moody's (stable). Moreover, Stichting WEW is rated 'AAA' (stable outlook) by Fitch and 'Aaa' by Moody's. In the event that (i) the State of the Netherlands ceases to be rated 'AAA' by Fitch and 'Aaa' by Moody's, respectively, or (ii) the Stichting WEW ceases to be rated 'AAA' by Fitch and 'Aaa' by Moody's, this may result in a review by the Credit Rating Agencies of the credit ratings assigned to the Notes (other than the Class E Notes) and could potentially result in a corresponding downgrade of the Notes (other than the Class E Notes).

Changes to Dutch tax treatment of mortgage interest may impose various risks

The Dutch tax system allows borrowers to deduct, subject to certain limitations, mortgage interest payments for owner-occupied residences from their taxable income. The deduction period allowed is restricted to a term of thirty (30) years and it only applies to mortgage loans secured by owner occupied properties. Since 2004, the tax deductibility of mortgage interest payments has been restricted under the so-called additional borrowing regulation (*Bijleenregeling*). On the basis of this regulation, if a home owner acquires a new home and realizes a surplus value on the sale of his old home in respect of which interest payments were deducted from taxable income, the interest deductibility is limited to the interest that relates to an amount equal to the purchase price of the new home less the net surplus value realized on the sale of the old home. Special rules apply to moving home owners that do not (immediately) sell their previous home.

As of 1 January 2013, interest deductibility in respect of newly originated mortgage loans will only be available in respect of mortgage loans which amortize over 30 years or less and are repaid on at least an annuity basis.

In addition to these changes further restrictions on the interest deductibility have entered into force as of 1 January 2014. The tax rate against which the mortgage interest may be deducted will be gradually reduced as of 1 January 2014. For taxpayers currently deducting mortgage interest at the highest income tax rate the interest deductibility has been reduced with 0.5 per cent. per year to 49.5 per cent. (in 2018) and will be gradually reduced until the rate is equal to 38 per cent. in 2041.

On 18 September 2018 the Dutch government presented the 2019 Dutch Tax Bill (*Belastingplan 2019*) to the Dutch Lower House. One of the proposed tax measures is to accelerate the decrease of the maximum interest deductibility for mortgage loans from 2020 with 3 per cent. annually down to 37.05 per cent. in 2023. If enacted, the mortgage interest deductibility rate will be decreased more quickly as from 2020 onwards.

These changes and any other or further changes in the tax treatment could ultimately have an adverse impact on the ability of Borrowers to pay interest and principal on their Mortgage Loans. In addition, changes in tax treatment may lead to different prepayment behaviour by Borrowers on their Mortgage Loans resulting in higher or lower prepayment rates of such Mortgage Loans. Finally, changes in tax treatment may have an adverse effect on the value of the Mortgaged Assets, see '*Risks of Losses associated with declining values of Mortgaged Assets*'.

3. PRINCIPAL PARTIES

3.1 ISSUER

Dutch MBS XIX B.V. was incorporated as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under Dutch law on 1 October 2018. The corporate seat (statutaire zetel) of the Issuer is in Amsterdam, the Netherlands and its registered office is at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands and its telephone number is +31 20 5214777. The Issuer operates on a cross-border basis when offering the Notes in certain countries. The Issuer is registered with the Commercial Register of the Chamber of Commerce under number 72724005.The Legal Entity Identifier (LEI) of the Issuer is 724500RRVUKFWOD4YZ70.

The Issuer is a special purpose vehicle, whose objectives are (i) to acquire, purchase, conduct the management of, dispose of and to encumber assets including receivables under or in connection with loans granted by a third party or by third parties and to exercise any rights connected to such assets, (ii) to acquire moneys to finance the acquisition of the assets including the receivables mentioned under (i), by way of issuing notes or other securities or by way of entering into loan agreements, (iii) to on-lend and invest any funds held by the Issuer, (iv) to hedge interest rate and other financial risks, amongst others by entering into derivatives agreements, such as swaps, (v) in connection with the foregoing: to borrow funds, amongst others, to repay the obligations under the securities mentioned under (ii) and to grant security rights or to release security rights to third parties. and (vi) to do anything which, in the widest sense of the words, is connected with or may be conducive to the attainment of these objects.

The Issuer has an issued share capital of EUR 1, which is fully paid. All shares of the Issuer are held by the Shareholder.

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

The Issuer has the corporate power and capacity to issue the Notes, to acquire the Mortgage Receivables and to enter into and perform its obligations under the Transaction Documents (see section 4.1 (*Terms and Conditions*).

The Issuer Director
The sole managing director of the Issuer is Intertrust Management B.V. The managing directors of Intertrust Management B.V. are E.M. van Ankeren, S.A. Jonker-Douwes and D.H. Schornagel. The managing directors of Intertrust Management B.V. have chosen domicile at the office address of Intertrust Management B.V., being Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands.

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

The Issuer Director has entered into the Issuer Management Agreement with the Issuer and the Security Trustee pursuant to which the Issuer Director agrees and undertakes, *inter alia*,that is shall (i) manage the affairs of the Issuer in accordance with proper and prudent Dutch business practice and in accordance with the requirements of Dutch law and Netherlands accounting practice and with the same care that it exercises or would exercise in connection with the administration of similar matters whether held for its own account or for the account of third parties and (ii) refrain from taking any action detrimental to the Issuer's ability to meet its obligations under any of the Transaction Documents. In addition, the Issuer Director agrees in the Issuer Management Agreement that it shall not as director of the Issuer agree to any modification of any agreement

including, but not limited to, the Transaction Documents, except in accordance with the Trust Deed.

The Issuer Management Agreement may be terminated by the Issuer or the Security Trustee on behalf of the Issuer upon the occurrence of certain termination events, including, but not limited to, a default by the Issuer Director (unless remedied within the applicable grace period), dissolution and liquidation of the Issuer Director or the Issuer Director being declared bankrupt or granted a suspension of payments, subject to Credit Rating Agency Confirmation. Furthermore, the Issuer Management Agreement can be terminated by the Issuer Director or, subject to Credit Rating Agency Confirmation, by the Security Trustee per the end of each calendar year upon ninety (90) days prior written notice. The Issuer Director shall resign upon termination of the Issuer Management Agreement, provided that such resignation shall only be effective as from the moment (i) a new director reasonably acceptable to the Security Trustee has been appointed and (ii) that the Security Trustee has confirmed to the Issuer Director that it (a) has notified the Credit Rating Agencies of such resignation and (b) a Credit Rating Agency Confirmation in respect of each Credit Rating Agency is available.

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

The financial year of the Issuer coincides with the calendar year. The first financial year will end on 31 December 2019.

Capitalisation

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

Share Capital	
Authorised Share Capital	EUR 1
Issuer Share Capital	EUR 1
Assets	
Mortgage Receivables	EUR 476,199,989.21
Borrowings	
Class A Notes	EUR 447,300,000
Class B Notes	EUR 8,100,000
Class C Notes	EUR 9,900,000
Class D Notes	EUR 10,900,000
Class E Notes	EUR 4,700,000

3.2 SHAREHOLDER

Stichting Dutch MBS XIX Holding is a foundation (*stichting*) incorporated under Dutch law on 27 September 2018. The statutory seat (*statutaire zetel*) of the Shareholder is in Amsterdam, the Netherlands and its registered office is at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands and its telephone number is +31 20 5214777. The Shareholder is registered with the Commercial Register of the Chamber of Commerce under number 72702230.

The objectives of the Shareholder are, *inter alia*, to incorporate, to acquire and to hold shares in the share capital of the Issuer, to conduct the management of and to administrate shares in the Issuer, to exercise any rights connected to the shares in the Issuer, to grant loans to the Issuer and to alienate and to encumber shares in the Issuer. The sole managing director of the Shareholder is Intertrust Management B.V.

The Shareholder Director has entered into the Shareholder Management Agreement pursuant to which the Shareholder Director agrees and undertakes to, *inter alia*, (i) manage the affairs of the Shareholder in accordance with proper and prudent Dutch business practice and in accordance with the requirements of Dutch law and Dutch accounting practice with the same care that it exercises or would exercise in connection with the administration of similar matters whether held for its own account or for the account of third parties and (ii) refrain from taking any action detrimental to the obligations of the Issuer or the Shareholder under any of the Transaction Documents. In addition, the Shareholder Director agrees in the Shareholder Management Agreement that it will not enter into any agreement in relation to the Issuer other than the Transaction Documents to which it is a party, without prior written consent of the Security Trustee.

3.3 SECURITY TRUSTEE

Stichting Security Trustee Dutch MBS XIX is a foundation (*stichting*) incorporated under Dutch law on 24 September 2018. The statutory seat (*statutaire zetel*) of the Security Trustee is in Amsterdam, the Netherlands and its registered office is at Herikerbergweg 238 Luna ArenA, 1101 CM Amsterdam, the Netherlands and its telephone number is +31 20 575 56 00. The Security Trustee is registered with the Commercial Register of the Chamber of Commerce under number 72667303.

The objectives of the Security Trustee are (a) to act as security trustee for the benefit of the creditors of the Issuer, including the holders of the Notes to be issued by the Issuer; (b) to acquire, hold and administer security rights in its own name, and if necessary to enforce such security rights, for the benefit of the creditors of the Issuer, including the holders of the Notes to be issued by the Issuer, and to perform acts and legal acts, including the acceptance of a parallel debt obligation from the Issuer, which are conducive to the acquiring and holding of the abovementioned security rights; (c) to borrow money; (d) to make donations; and (e) to do anything which, in the widest sense of the words, is connected with and/or may be conducive to the attainment of the above.

The sole director of the Security Trustee is TMF Management B.V., having its registered office at Herikerbergweg 238 Luna ArenA, 1101 CM Amsterdam, the Netherlands. The managing directors of TMF Management B.V. are W.H. Kamphuijs and A.G.M. Nagelmaker.

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

The Security Trustee Director has entered into the Security Trustee Management Agreement with the Security Trustee and the Issuer. In the Security Trustee Management Agreement the Security Trustee Director agrees and undertakes, *inter alia*, that it shall (i) manage the affairs of the Security Trustee in accordance with proper and prudent Dutch business practice and in accordance with the requirements of Dutch law and accounting practice with the same care that it exercises or would exercise in connection with the administration of similar matters whether held for its own account or for the account of third parties and (ii) refrain from taking any action detrimental to the Security Trustee's ability to meets its obligations under any of the Transaction Documents. In addition the Security Trustee Director agrees in the Security Trustee Management Agreement that it will not agree to any modification of any agreement including, but not limited to, the Transaction Documents, or enter into any agreement, other than in accordance with the Trust Deed and the other Transaction Documents.

As set out in the Trust Deed, the Security Trustee shall not retire or be removed from its duties under the Trust Deed until all amounts payable by the Issuer to the Secured Creditors have been paid in full.

However, the Noteholders of the Most Senior Class can resolve to dismiss the Security Trustee Director as the director of the Security Trustee by an Extraordinary Resolution, on the basis of the Trust Deed and the articles of association of the Security Trustee. The Security Trustee Management Agreement may be terminated by the Security Trustee or the Issuer on behalf of the Security Trustee upon the occurrence of certain termination events, including, but not limited to, a default by the Security Trustee Director (unless remedied within the applicable grace period), dissolution and liquidation of the Security Trustee Director or the Security Trustee Director being declared bankrupt or granted a suspension of payments, subject to Credit Rating Agency Confirmation and after consultation with the Secured Creditors, other than the Noteholders. Moreover, the Security Trustee Management Agreement can be terminated by the Security Trustee Director or the Security Trustee per the end of each calendar year upon ninety (90) day's prior written notice, subject to Credit Rating Agency Confirmation and after consultation with the Secured Creditors, other than the Noteholders. The Security Trustee Director shall only resign from its position as director of the Security Trustee as soon as a suitable person, trust or administration office, reasonably acceptable to the Issuer, after having consulted the Secured Creditors, other than the Noteholders, and provided that the Security Trustee has received Credit Rating Agency Confirmation and that the Security

Trustee, in its reasonable opinion, does not expect that the then current ratings assigned to the Notes (other than the Class E Notes) will be adversely affected as a consequence thereof.

3.4 SELLERS

Sellers
The Mortgage Loans involved are originated by the Sellers (all 100 per cent. subsidiaries of NIBC) including their legal predecessors.

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

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

In 1999, DNIB was acquired by way of a public offer made through a joint venture company, NIB Capital, owned by two of Europe's largest pension funds, ABP and PGGM. NIB Capital acquired 85 per cent of the shares in DNIB. The remaining shares remained owned by the Dutch government and were acquired by NIB Capital in 2004. The acquisition by NIB Capital in 1999 marked the beginning of DNIB's evolution from a long-term lending bank to a bank offering advisory, financing and investment services.

In 2005, a consortium of international financial institutions and investors organised by J.C. Flowers & Co., a U.S. based private investment firm, purchased all the outstanding equity interests of NIB Capital. In connection with this acquisition, NIBC Holding N.V. was incorporated and NIB Capital, which was renamed NIBC N.V., became its wholly-owned subsidiary. Subsequently, NIBC N.V. (as the non-surviving entity) merged into NIBC Holding N.V. and NIB Capital Bank N.V. became a direct subsidiary of NIBC Holding N.V. NIB Capital Bank N.V. subsequently changed its name to NIBC Bank N.V.

In April 2014 NIBC acquired Gallinat-Bank AG, a small bank located in Hamburg, Germany from the ALBIS Group. Gallinat-Bank AG provides mainly financing facilities to leasing companies within the ALBIS Group. The acquisition of Gallinat-Bank AG directly increases NIBC's presence in one of its domestic markets. Gallinat-Bank AG has been renamed to NIBC Bank Deutschland AG.

In June 2016, NIBC acquired SNS Securities N.V., which was later re-named NIBC Markets. This acquisition enables NIBC to service its corporate and investor clients over their entire financial life-cycle with a wider choice of financial services: advising, structuring, financing, co-investing, and now also IPOs and bond issuances.

As of 23 March 2018, NIBC Holding N.V. is a listed entity on Euronext Amsterdam, majority-owned by a consortium of international financial institutions organised by J.C. Flowers and Co.

NIBC is a Dutch public limited liability company incorporated on 31 October 1945, with corporate seat in The Hague, the Netherlands and is registered at the Dutch Chamber of Commerce under number 27032036. The Legal Entity Identifier (LEI) of NIBC is B64D6Y3LBJS4ANNPCU93.

Business overview
NIBC uses the following segmentation: *Corporate Client Offering*, *Retail Client Offering* and *Treasury and Group Functions*.

The *Corporate Client Offering* segment offers its mid-market corporate clients specific products across a broad spectrum of advising, structuring, financing and co-investing across debt and equity through a dedicated sector approach, with a focus on chosen sub-sectors and products in Northwest Europe and a focus on the Netherlands and Germany.

The *Retail Client Offering* segment services retail clients in the Netherlands, Germany and Belgium and offers a product range consisting of owner-occupied mortgages, buy-to-let mortgages and an originate-

to-manage mortgage offering and online savings accounts. Retail Client Offering products are mainly offered through NIBC Direct.

Treasury and Group Functions supports and controls all business activities for NIBC. The main focus areas include the realisation of NIBC's treasury functions, asset and liability management and risk management. Group Functions consists of: Treasury & Asset Liability Management, Risk Management, HR & Corporate Communications, Internal Audit, Legal, Compliance & Regulatory Affairs, Sustainability, Operations & Facilities, IT, Finance & Tax and Strategy & Development.

Statutory Management
The managing board of NIBC consists of the following persons:

- Mr. P.A.M. de Wilt (Chief Executive Officer);
- Mr. H.H.J. Dijkhuizen (Chief Financial Officer); and
- Mr. R.D.J. van Riel (Chief Risk Officer).

The members of the managing board may be contacted at the registered address of NIBC, at Carnegieplein 4, 2517 KJ The Hague, The Netherlands, telephone number +31 (0) 70 342 5425.

The supervisory board of NIBC consists of the following persons:

- Mr. W.M. van den Goorbergh (Chairman);
- Mr. R.L. Carrión;
- Mr. M.J. Christner;
- Mr. J.C. Flowers;
- Mr. A. de Jong;
- Mrs. A.G.Z. van Beuzekom-Kemna;
- Mr. D.M. Sluimers; and
- Mrs. S.M. Zijderveld.

The members of the Supervisory Board may be contacted at the registered address of NIBC, at Carnegieplein 4, 2517 KJ The Hague, The Netherlands, telephone number +31 (0) 70 342 5425.

Mortgage Activities
Against a background of institutional investors increasingly looking for direct financing relationships with individual companies, for direct purchases of assets and for increased yield, NIBC is increasingly acting as originator and arranger of structured transactions. It has played a leading role in the development of securitisation in the Netherlands. At the end of 1997, NIBC successfully structured and placed the first pass-through residential mortgage-backed certificates in the Dutch financial market, the Dutch MBS 97-I and Dutch MBS 97-II transactions. Since then, NIBC has successfully structured and/or placed over twenty Dutch RMBS transactions. As well as acting as arranger and (joint-) lead manager, NIBC also performs the functions of paying agent and issuer administrator in these transactions.

As a customer-focused and service-oriented bank, NIBC has originated residential mortgages since the early 1990s via the independent intermediary channel. The management of the mortgages portfolio is done by NIBC and some activities are subcontracted to specialised third parties. These third parties provide the origination systems and activities consisting of mortgage payment transactions and ancillary activities with regard to NIBC's residential mortgage loan portfolio.

In May 2013, NIBC commenced the origination of mortgage loans under its own private label: NIBC Direct. NIBC Direct mortgages are targeted primarily at first- and second-time home buyers. Distribution of NIBC Direct mortgages if facilitated by selected intermediaries, mortgage advisers, and a compliance framework that meets AFM requirements. In addition, in January 2015 NIBC started offering a new type of buy-to-let mortgage loan directed at parties that do not qualify as consumers under the Wft, called the NIBC Vastgoed Hypotheek.

Starting 2016 NIBC further diversified its mortgage business by offering mortgages from Originate-to-Manage (OTM) mandates from institutional investors.

Key figures

NIBC Holding N.V. – Key Figures

	IFRS 9 H1 2018	IAS 39 ex. Vijlma 2017	IAS 39 2017	IAS 39 2016	IAS 39 2015
Earnings					
Operating income	254	473	559	398	354
Operating expenses	120	229	233	197	193
Profit after tax	90	163	216	104	70
Profit after tax attributable to shareholders	84	160	213	104	70
Cost/income ratio	47%	48%	42%	49%	55%
Net interest margin[1]	1.90%	1.64%	1.60%	1.47%	1.34%
Return on equity	10.5%	9.0%	11.9%	6.0%	4.2%
Return on assets	0.76%	0.68%	0.91%	0.45%	0.30%
Earnings per share basic – annualised	1.15	1.10	1.46	0.71	0.48
Earnings per share diluted – annualised	1.15	1.10	1.46	0.71	0.48
Dividend pay-out ratio[2]	44%	n.a.	45%	25%	0%
Dividend per share	0.25	n.a.	0.66	0.17	
Price/earnings ratio	6.16				
Price/book ratio	0.70				

1. H1 2018 NIM calculated using the H2 2017 interest income excluding Vijlma
2. Ratios based on interim dividend pay-out proposal

3.5 SERVICER

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

For further information regarding NIBC see section 3.4 (*Sellers*).

3.6 ISSUER ADMINISTRATOR

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

For further information regarding NIBC see section 3.4 (*Sellers*).

3.7 OTHER PARTIES

Cash Advance Facility Provider:	ING Bank.
Swap Counterparty:	ING Bank.
Issuer Account Bank:	Société Générale S.A., Amsterdam Branch.
Sub-servicer:	The Servicer will initially appoint Stater Nederland B.V. as the Sub-servicer to provide certain of the Mortgage Loan Services in respect of the Mortgage Receivables.
Previous Transaction Security Trustees:	Stichting Security Trustee Essence V, Stichting Security Trustee Essence VI, Stichting Security Trustee Essence VII and Stichting Security Trustee NIBC Conditional Pass-Though Covered Bond Company.
Previous Transaction SPVs:	Essence V B.V., Essence VI B.V., Essence VII B.V., NIBC Conditional Pass-Though Covered Bond Company B.V., Largo 2, a compartment of Residential Mortgage Fund, a fonds commun de titrisation à compartiments, Largo 3, a compartment of Residential Mortgage Fund, a fonds commun de titrisation à compartiments, Largo A, a compartment of Residential Mortgage Fund, a fonds commun de titrisation à compartiments, Largo B, a compartment of Residential Mortgage Fund, a fonds commun de titrisation à compartiments, Largo 4, a compartment of Residential Mortgage Fund, a fonds commun de titrisation à compartiments and Largo 5, a compartment of Residential Mortgage Fund, a fonds commun de titrisation à compartiments.
Directors:	Intertrust Management B.V., the sole director of the Issuer and of Stichting Dutch MBS XIX Holding and TMF Management B.V., the sole director of the Security Trustee.
Paying Agent:	Citibank.
Reference Agent:	NIBC.
Listing Agent:	NIBC.
Arranger:	NIBC.
Managers:	In respect of the Class A Notes, NIBC, ING Bank N.V., Coöperatieve Rabobank U.A. and Société Générale S.A., being the Class A Managers, and in respect of the Subordinated Notes, NIBC, being the Subordinated Notes Manager.
Common Service Provider:	Citibank Europe plc.
Common Safekeeper:	In respect of the Class A Notes, Euroclear or Clearstream, Luxembourg and in respect of the Subordinated Notes, Citibank.

4. THE NOTES

4.1 TERMS AND CONDITIONS

If Notes are issued in definitive form, the terms and conditions (the 'Conditions') will be as set out below. The Conditions will be endorsed on each Definitive Note if they are issued. While the Notes remain in global form, the same terms and conditions govern the Notes, except to the extent that they are not appropriate for Notes in global form. See section 4.2 (Form).

The issue of the EUR 447,300,000 Class A mortgage-backed notes 2018 due 2050 (the "**Class A Notes**"), the EUR 8,100,000 Class B mortgage-backed notes 2018 due 2050 (the "**Class B Notes**"), the EUR 9,900,000 Class C mortgage-backed notes 2018 due 2050 (the "**Class C Notes**"), the EUR 10,900,000 Class D mortgage-backed notes 2018 due 2050 (the "**Class D Notes**") and the EUR 4,700,000 Class E mortgage-backed notes 2018 due 2050 (the "**Class E Notes**" and together with the Class B Notes, the Class C Notes and the Class D Notes the "**Subordinated Notes**") and together with the Class A Notes and the Subordinated Notes, the "**Notes**") was authorised by a resolution of the managing director of the Issuer passed on 30 October 2018. The Notes are issued under the Trust Deed on the Closing Date.

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

Unless otherwise defined herein, words and expressions used below are defined in a master definitions agreement dated the Signing Date and entered into between the Issuer, the Security Trustee, the Sellers and certain other parties, as amended from time to time (the "**Master Definitions Agreement**"). Such words and expressions shall, except where the context requires otherwise, have the same meanings in these Conditions. If the terms or definitions in the Master Definitions Agreement conflict with terms and/or definitions used herein, the terms and definitions of these Conditions shall prevail.

Copies of the Paying Agency Agreement, the Trust Deed, the Parallel Debt Agreement, the Pledge Agreements, the Servicing Agreement and the Master Definitions Agreement and certain other Transaction Documents (see section 8 (*General*)) are available for inspection, free of charge, by Noteholders and prospective noteholders at the specified office of the Security Trustee and the Paying Agent, being at the date hereof, with respect to the Security Trustee: Herikerbergweg 238 Luna ArenA, 1101 CM Amsterdam, the Netherlands, and with respect to the Paying Agent: Canada Square, London E14 5LB, United Kingdom. Any reference to a Transaction Document shall be a reference to such Transaction Document as amended from time to time. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Paying Agency Agreement, the Parallel Debt Agreement, the Pledge Agreements, the Servicing Agreement and the Master Definitions Agreement.

1. Form, Denomination and Title

The Notes will be in bearer form serially numbered with coupons attached on issue in denominations of EUR 100,000 each. Under Dutch law, the valid transfer of Notes or Coupons requires, *inter alia*, delivery (*levering*) thereof. The Issuer, the Security Trustee and the Paying Agent may, to the fullest extent permitted by law, treat the holder of any Note and of the Coupons appertaining thereto as its absolute owner for all purposes (whether or not payment under such Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing thereon or any notice of previous loss or theft thereof) for any purposes, including payment and no person shall be liable for so treating such holder. The signatures on the Notes will be in facsimile.

For as long as the Notes are represented by a Global Note and Euroclear and/or Clearstream, Luxembourg so permit, such Notes will be tradeable only in the minimum authorised denomination of EUR 100,000. Notes in definitive form, if issued, will only be printed and issued in denominations of EUR 100,000. All such Notes will be serially numbered and will be issued in bearer form with (at the date of issue) Coupons and, if necessary, talons attached.

2. Status, Priority and Security

(a) The Notes of each Class are direct and unconditional obligations of the Issuer and rank *pro rata* and *pari passu* without any preference or priority among Notes of the same Class.

(b) In accordance with the provisions of Conditions 4, 6 and 9 and the Trust Deed (i) payments of principal and interest on the Class B Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes, (ii) payments of principal and interest on the Class C Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes and the Class B Notes, (iii) payments of principal and interest on the Class D Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes, the Class B Notes and the Class C Notes and (iv) payments of principal and interest on the Class E Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes.

(c) The Security for the obligations of the Issuer towards, *inter alios*, the Noteholders 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, *inter alia*, the following security rights:

(i) a first ranking right of pledge by the Issuer to the Security Trustee over the Mortgage Receivables and the Beneficiary Rights; and

(ii) a first ranking right of pledge by the Issuer to the Security Trustee over the Issuer Rights.

(d) The obligations under the Notes are secured (directly and/or indirectly) by the Security. The obligations under the Class A Notes will rank in priority to the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, the obligations under the Class B Notes will rank in priority to the Class C Notes, the Class D Notes and the Class E Notes, the obligations under the Class C Notes will rank in priority to the Class D Notes and the Class E Notes and the obligations under the Class D Notes will rank in priority to the Class E Notes in the event of the Security being enforced. The Trust Deed contains provisions requiring the Security Trustee to have regard to the interests of the 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 highest ranking Class of Noteholders. In this respect the order of priority is as follows: first, the Class A Noteholders, second, the Class B Noteholders, third, the Class C Noteholders, fourth, the Class D Noteholders and fifth, the Class E Noteholders. In addition, the Security Trustee shall have regard to the interests of the other Secured Creditors, provided that in case of a conflict of interest between the Secured Creditors the Post-Enforcement Priority of Payments determines which interest of which Secured Creditor prevails.

3. Covenants of the Issuer

As long as any of the Notes remain outstanding, the Issuer shall carry out its business in accordance with proper and prudent 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 Transaction Documents or (ii) with the prior written consent of the Security Trustee:

i. carry out any business other than as described in this Prospectus relating to the issue of the Notes and as contemplated in the Transaction Documents;

ii. incur any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness except as contemplated in the Transaction Documents;

iii. create or promise to create any mortgage, charge, pledge, lien or other security interest whatsoever over any of its assets, or use, invest, sell, transfer or otherwise dispose of or grant any options or rights to any part of its assets except as contemplated by the Transaction Documents;

iv. 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;

v. permit the validity or effectiveness of the Transaction Documents, or the priority of the security created thereby or pursuant thereto to be amended, terminated, waived, postponed or discharged, or permit any person whose obligations form part of such security rights to be released from such obligations or consent to any waiver except as contemplated in the Transaction Documents;

vi. have any employees or premises or have any subsidiary or subsidiary undertaking; and

vii. have an interest in any bank account other than the Issuer Accounts unless all rights in relation to such account have been pledged to the Security Trustee as provided in Condition 2(c)(ii) or an account to which collateral under the Swap Agreement is transferred (if any).

4. Interest

(a) Period of Accrual

The Notes shall bear interest on their Principal Amount Outstanding (as defined in Condition 6(c)) from and including the Closing Date. Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) shall cease to bear interest from its due date for redemption unless, upon due presentation, payment of the relevant amount of principal or any part thereof is improperly withheld or refused. In such event, interest will continue to accrue thereon (before and after any judgment) at the rate applicable to such Note up to but excluding the earlier of:

(i) the date on which, on presentation of such Note, payment in full of the relevant amount of principal is made; or

(ii) the seventh day after notice is duly given by the Paying Agent to the holder thereof (in accordance with Condition 13) that upon presentation thereof, such payments will be made, provided that upon such presentation payment is in fact made.

Whenever it is necessary to compute an amount of interest in respect of any Note for any period (including any Interest Period), such interest shall be calculated on the basis of the actual number of days elapsed in such period and a 360 day year.

(b) *Interest Periods and Notes Payment Dates*

Interest on the Notes is payable by reference to the successive Interest Periods. Each successive Interest Period will commence on (and include) a Notes Payment Date and end on (but exclude) the next succeeding Notes Payment Date, except for the first Interest Period which will commence on (and include) the Closing Date and end on (but exclude) the first Notes Payment Date falling in February 2019.

Interest on each of the Notes shall be payable quarterly in arrear in EUR in respect of the Principal Amount Outstanding (as defined in Condition 6(c)) of each Class of Notes on each Notes Payment Date, which is each of the 25th day of February, May, August and November of each year or, if such day is not a Business Day, the immediately succeeding Business Day unless it would as a result fall in the next calendar month, in which case it will be the Business Day immediately preceding such day.

(c) *Interest up to (but excluding) the First Optional Redemption Date*

Up to (but excluding) the First Optional Redemption Date, interest on the Notes for each Interest Period will accrue from the Closing Date at an annual rate equal to the sum of the Euro Interbank Offered Rate ("**Euribor**") for three months deposits in EUR (determined in accordance with Condition 4(e)) (or, in respect of the first Interest Period, the rate which represents the linear interpolation of Euribor for one (1) and three (3) month deposits in EUR, rounded, if necessary, to the 5th decimal place with 0.000005, being rounded upwards), plus:

(i) for the Class A Notes, a margin of 0.41 per cent. per annum;
(ii) for the Class B Notes, a margin of 0.80 per cent. per annum;
(iii) for the Class C Notes, a margin of 1.50 per cent. per annum;
(iv) for the Class D Notes, a margin of 1.75 per cent. per annum; and
(v) for the Class E Notes, a margin of 2.00 per cent. per annum;

in each case subject to a minimum of zero per cent. for the sum of Euribor plus the margin.

(d) *Interest from (and including) the First Optional Redemption Date*
If on the First Optional Redemption Date any Class of Notes, other than the Class E Notes, have not been redeemed in full, the rate of interest applicable to the relevant Class of Notes will accrue at an annual rate equal to the sum of Euribor for three month deposits, plus:

(i) for the Class A Notes, a margin of 0.82 per cent. per annum;
(ii) for the Class B Notes, a margin of 0.00 per cent. per annum;
(iii) for the Class C Notes, a margin of 0.00 per cent. per annum;
(iv) for the Class D Notes, a margin of 0.00 per cent. per annum; and
(v) for the Class E Notes, a margin of 0.00 per cent. per annum;

in each case subject to a minimum of zero per cent. for the sum of Euribor plus the margin.

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

(i) The Reference Agent will, subject to Condition 4(c) obtain for each Interest Period the rate equal to Euribor for three month deposits in euros. The Reference Agent shall use the Euribor rate as determined and published jointly by the EMMI and which appears for information purposes on the Reuters Screen EURIBOR01, (or, if not available, any other display page on any screen service maintained by any registered information vendor for the display of the Euribor rate selected by the Reference Agent) as at or about 11.00 am (CET) on the day that is two Business Days preceding the first day of each Interest Period (each an "**Interest Determination Date**");

(ii) If, on the relevant Interest Determination Date, such Euribor rate is not determined and published jointly by EMMI, or if it is not otherwise reasonably practicable to calculate the rate under (i) above, the Reference Agent will, after having consulted the Swap Counterparty:

(A) request the principal Euro-zone office of each of four major banks in the Euro-zone interbank market (the "**Euribor Reference Banks**") selected by the Reference Agent to provide a quotation for the rate at which three month euro deposits are offered by it in the Euro-zone interbank market at approximately 11.00 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

(B) if at least two quotations are provided, determine the arithmetic mean (rounded, if necessary, to the fifth decimal place with 0.000005 being rounded upwards) of such quotations as provided; and

(iii) if fewer than two such quotations are provided as requested, the Reference Agent will determine the arithmetic mean (rounded, if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the rates quoted by major banks, of which there shall be at least two in number, in the Euro-zone, selected by the Reference Agent, at approximately 11.00 a.m. (CET) on the relevant Interest Determination Date for three month deposits to leading Euro-zone banks in an amount that is representative for a single transaction in that market at that time,

and Euribor for such Interest Period shall be the rate per annum equal to Euribor for three month deposits as determined in accordance with this Condition 4(e), provided that if the Reference Agent is unable to determine Euribor in accordance with the above provisions in relation to any

Interest Period, Euribor applicable to each Class of Notes during such Interest Period will be Euribor last determined in relation thereto.

(f) *Determination of Interest Rates 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 referred to in Condition 4(c) and 4(d) for each Class of Notes and calculate the amount of interest payable on each of the Notes for the following Interest Period (the "**Interest Amount**") by applying the relevant Interest Rate to the Principal Amount Outstanding of each Class of Notes respectively. The determination of the relevant Interest Rate and each Interest Amount by the Reference Agent shall (in the absence of manifest error) be final and binding on all parties.

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

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

(h) *Determination or Calculation by Security Trustee*

If the Reference Agent at any time for any reason does not determine the relevant Interest Rate or fails to calculate the relevant Interest Amount in accordance with Condition 4(e) above, the Security Trustee, or a party so appointed by the Security Trustee on behalf of the Security Trustee, shall determine the relevant Interest Rate, at such rate as, in its absolute discretion (having such regard as it shall think fit to the procedure described in Condition 4(f) above), it shall deem fair and reasonable under the circumstances, or, as the case may be, the Security Trustee shall calculate the Interest Amount in accordance with Condition 4(f) above, and each such determination or calculation shall (in the absence of 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 ninety (90) days' notice in writing to that effect. Notice of such termination will be given to the holders of the Notes in accordance with Condition 13. If any person shall be unable or unwilling to continue to act as the Reference Agent (as the case may be) 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.

(j) *Replacement Reference Rate*

Notwithstanding the provisions above in this Condition 4, if the Reference Agent or the Issuer determines at any time prior to, on or following any Interest Determination Date, that a Benchmark Event has occurred, the Issuer will, as soon as reasonably practicable (and in any event prior to the next relevant Interest Determination Date), appoint a Rate Determination Agent, which may, after using reasonable endeavours to appoint and consult with an Independent Adviser, determine in its sole discretion, acting in good faith and in a commercially reasonable manner, a substitute, alternative or successor rate for purposes of determining the interest rate on each Interest Determination Date falling on such date or thereafter that is substantially comparable to the Reference Rate or that has been recommended or selected by the monetary authority or similar authority (or working group thereof) in the jurisdiction of the applicable currency. If the Rate Determination Agent has determined a substitute, alternative or successor rate in accordance with the foregoing (such rate, the "**Replacement Reference Rate**") for purposes of determining the interest rate on the relevant Interest Determination Date falling on or after such determination, (A) the Rate Determination Agent will, following consultation with the Independent Adviser (if appointed), also determine changes (if any) to the business day convention, the definition of business day, the interest determination date, the day count fraction and any method for calculating

the Replacement Reference Rate, including any Adjustment Spread, in each case in a manner that is consistent with any industry-accepted practices for such Replacement Reference Rate; (B) references to the Reference Rate in these Conditions applicable to the Notes will be deemed to be references to the relevant Replacement Reference Rate, including any alternative method for determining such rate as described in (A) above (including the Adjustment Spread); (C) the Rate Determination Agent will notify the Issuer, the Security Trustee, the Reference Agent and the Swap Counterparty of the foregoing as soon as reasonably practicable; and (D) the Issuer will give notice as soon as reasonably practicable to the Noteholders (in accordance with Condition 13) and the Paying Agent specifying the Replacement Reference Rate, as well as the details described in (A) above. The party responsible for calculating the Interest Rate pursuant to Condition 4 will remain the party responsible for calculating the Interest Rate by making use of the Replacement Reference Rate and the other matters referred to above.

The determination of the Replacement Reference Rate and the other matters referred to above by the Rate Determination Agent will be final and binding on the Issuer, the Security Trustee, the Paying Agent, the Reference Agent and the Noteholders. If the Rate Determination Agent is unable to or otherwise does not determine a Replacement Reference Rate or any of the other matters referred to above, then the Reference Rate will remain unchanged (but subject to the other provisions of Condition 4, but particularly Condition 4(e)).

As used in this Condition 4(j):

"**Adjustment Spread**" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Rate Determination Agent, following consultation with the Independent Adviser (if appointed) and acting in good faith, determines is required to be applied to the Replacement Reference Rate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Reference Rate with the Replacement Reference Rate and is the spread, formula or methodology which:

(a) is formally recommended in relation to the replacement of the Reference Rate with the Replacement Reference Rate by any competent authority; or (if no such recommendation has been made)

(b) the Rate Determination Agent determines, following consultation with the Independent Adviser (if appointed) and acting in good faith, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Replacement Reference Rate; or (if the Rate Determination Agent determines that no such industry accepted standard is recognised or acknowledged)

(c) the Rate Determination Agent, in its discretion, following consultation with the Independent Adviser (if appointed) and acting in good faith, determines to be appropriate.

"**Benchmark Event**" means:

(a) the Reference Rate ceases to be an industry accepted rate for debt market instruments (as determined by the Rate Determination Agent, following consultation with the Independent Adviser (if appointed) and acting in good faith) such as, or comparable to, the Notes; or

(b) it has become unlawful or otherwise prohibited (including, without limitation, for the Reference Agent) pursuant to any law, regulation or instruction from a competent authority, to calculate any payments due to be made to any Noteholder using the Reference Rate or otherwise make use of the Reference Rate with respect to the Notes; or

(c) the Reference Rate ceasing to be published for a period of at least five (5) Business Days or ceasing to exist; or

(d) a public statement by the administrator of the Reference Rate that it will, by a specified date within the following six (6) months, cease to publish the Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed hat will continue the publication of the Reference Rate); or

(e) a public statement by the administrator of the Reference Rate that the Reference Rate has been or will, by a specified date within the following six (6) months, be permanently or indefinitely discontinued; or

(f) a public statement by the supervisor of the administrator of the Reference Rate that the Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six (6) months.

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise as reasonably determined by the Rate Determination Agent.

"**Rate Determination Agent**" means a third party appointed by NIBC or, if it is not reasonably practicable to appoint such third party, NIBC, to determine the Replacement Reference Rate in accordance with this Condition.

5. Payment

(a) Payment of principal and interest in respect of the Notes will be made upon presentation of the Note and against surrender of the relevant Coupon appertaining thereto at any specified office of the Paying Agent by transfer to a euro account maintained by the payee with a bank in the Netherlands. All such payments are subject to any fiscal or other laws and regulations applicable in the place of payment and any FATCA Withholding.

(b) At the Final Maturity Date, or such earlier date on which the Notes become due and payable, the Notes should be presented for payment together with all unmatured Coupons appertaining thereto, failing which the full amount of any such missing unmatured Coupons (or, in the case of payment not being made in full, that proportion of the full amount of such missing unmatured Coupons which the sum of principal so paid bears to the total amount of principal due) will be deducted from the sum due for payment. Each amount so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon at any time before the expiry of five (5) years following the due date for payment of such principal (whether or not such Coupons would have become unenforceable pursuant to Condition 8).

(c) If the relevant Notes Payment Date is not a day on which banks are open for business in the place of presentation of the relevant Note and Coupon (a "**Local Business Day**") the holder thereof shall not be entitled to payment until the next following Local Business Day, or to any interest or other payment in respect of such delay, provided that in the case of payment by transfer to a euro account as referred to above, the Paying Agent shall not be obliged to credit such account until the Local Business Day immediately following the day on which banks are open for business in the Netherlands. The name of the Paying Agent and details of its offices are set out on the last page of this Prospectus.

(d) The Issuer reserves the right at any time to vary or terminate the appointment of the Paying Agent and to appoint additional or other paying agents provided that no paying agents located in the United States of America will be appointed and that the Issuer will at all times maintain a paying agent having a specified office in the European Union. Notice of any termination or appointment of a Paying Agent will be given to the Noteholders in accordance with Condition 13.

6. Redemption

(a) Final redemption

If and to the extent not otherwise redeemed, the Issuer will redeem the Notes at their respective Principal Amount Outstanding, increased with interest due but not paid, and, in respect of the Subordinated Notes, subject to Condition 9(b), on the Final Maturity Date, being on the Notes Payment Date falling in November 2050.

(b) Mandatory redemption of the Notes, other than the Class E Notes

Provided that no Enforcement Notice has been served in accordance with Condition 10 and without prejudice to the obligations in Condition 6(e), the Issuer shall on the first Notes Payment Date falling in February 2019 and each Notes Payment Date thereafter be obliged to apply the Available

Principal Redemption Funds to redeem the Notes, other than the Class E Notes, whether in full or in part, at their respective Principal Amount Outstanding, on a *pro rata* basis within each Class in the following order:

(i) *first*, the Class A Notes until fully redeemed;
(ii) *second*, the Class B Notes until fully redeemed;
(iii) *third*, the Class C Notes until fully redeemed; and
(iv) *fourth*, the Class D Notes until fully redeemed.

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

(c) *Definitions*

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

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

(i) as repayment and prepayment of principal in part under the Mortgage Receivables received by the Issuer on or prior to such Notes Calculation Date and paid by the Borrower during such Notes Calculation Period, including, in respect of principal, any amounts scheduled to be paid on the first, second and third Business Day following such Notes Calculation Period, subject to practical implementation i.e. whether these amounts can be used in the calculation and are timely available, (and, for the avoidance of doubt, including in respect of the first Notes Calculation Period the amounts received as Pre-Closing Proceeds to the extent relating to principal), but excluding any such amounts received by the Sellers and/or the Collection Foundation during such Notes Calculation Period and already included in the Available Principal Funds calculated on the Notes Calculation Date immediately preceding such Notes Calculation Date, excluding Prepayment Penalties;

(ii) as repayment and prepayment of principal in full under the Mortgage Receivables received by the Issuer on or prior to such Notes Calculation Date and paid by the Borrower during such Notes Calculation Period, including, in respect of principal, any amounts paid on the first, second and third Business Day following such Notes Calculation Period, subject to practical implementation i.e. whether these amounts can be used in the calculation and are timely available, (and, for the avoidance of doubt, including in respect of the first Notes Calculation Period the amounts received as Pre-Closing Proceeds to the extent relating to principal), but excluding any such amounts received by the Sellers and/or the Collection Foundation during such Notes Calculation Period and already included in the Available Principal Funds calculated on the Notes Calculation Date immediately preceding such Notes Calculation Date, excluding Prepayment Penalties;

(iii) as Net Principal Proceeds on any Mortgage Receivable;

(iv) as amounts received in connection with a repurchase of Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement and any other amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal;

(v) as amounts received in connection with a sale of Mortgage Receivables pursuant to the Trust Deed to the extent such amounts relate to principal but up to the aggregate Outstanding Principal Amount of such Mortgage Receivables;

(vi) as amounts to be credited to the Principal Deficiency Ledger on the immediately succeeding Notes Payment Date in accordance with the Administration Agreement;

(vii) as amounts received on the Issuer Collection Account on such Notes Payment Date from the credit balance of the Construction Deposit Account in cases where the relevant Construction Deposit to the extent relating to Mortgage Receivables is disbursed to the relevant Borrower by means of set off with the Mortgage Receivables or has not been used by the Borrower after expiry of the agreed term;

(viii)

(a) any part of the Available Principal Funds calculated on the immediately preceding Notes Calculation Date, which has not been applied towards redemption of the Notes on the immediately preceding Notes Payment Date or otherwise in accordance with the Trust Deed;

(b) any amount to be drawn from the Principal Reconciliation Ledger on the immediately succeeding Notes Payment Date to the extent relating to principal;

(c) in respect of the first Notes Payment Date following the Closing Date only, an amount equal to the difference between (a) the Principal Outstanding Amount of the Notes on the Closing Date, other than the Class E Notes, and (b) the Initial Purchase Price of the Mortgage Receivables purchased on the Closing Date;

less:

(ix)

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

(b) any amounts available to the Issuer to the extent relating to principal required to be credited to the Principal Reconciliation Ledger on the immediately succeeding Notes Payment Date in accordance with the Administration Agreement.

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

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

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

"**Substitution Available Amount**" shall mean, at any Notes Calculation Date up to, but excluding, the Notes Calculation Date immediately preceding the Final Maturity Date, any amounts received by the Issuer as a result of a repurchase of Mortgage Receivables by the relevant Seller or the Sellers, as the case may be, other than in case of a purchase of all Mortgage Receivables to the extent such amounts relate to principal during the immediately preceding Notes Calculation Period.

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

Redemption Amount and Principal Amount Outstanding

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

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

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

(e) *Optional Redemption*

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

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

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

(f) *Redemption for tax reasons*

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

(a) the Issuer is or will be obliged to make any withholding or deduction for, or on account of, any taxes, duties, assessments or governmental charges of whatever nature from payments in respect of any Class of Notes as a result of any change in, or amendment to, the laws or regulations of the Netherlands (including any guidelines issued by the tax authorities) or any other jurisdiction or any political sub-division or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which becomes effective on or after the Closing Date, and such obligation cannot be avoided by the Issuer taking reasonable measures available to it; and

(b) the Issuer will have sufficient funds available on the Notes Calculation Date immediately preceding such Notes Payment Date to discharge all amounts of principal and interest due

in respect of the Notes, other than the Class E Notes, and any amounts required to be paid in priority to or *pari passu* with each Class of Notes in accordance with the Trust Deed.

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

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

(g) *Redemption for regulatory reasons*

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

(a) a change published on or after the Closing Date in the Basel II, Basel III or in the Banking Regulations applicable to NIBC Bank N.V. (including any change in the Banking Regulations enacted for purposes of implementing a change to the Basel II or Basel III) or a change in the manner in which the Basel II, Basel III or such Banking Regulations are interpreted or applied by the Basel Committee on Banking Supervision or by any relevant competent international, European or national body (including any relevant international, European or Dutch Central Bank or other competent authority) which has the effect of adversely affecting the rate of return on capital of NIBC Bank N.V. or increasing the cost or reducing the benefit to NIBC Bank N.V. with respect to the transaction contemplated by the Notes (a "**Regulatory Change**"); and

(b) the Issuer will have sufficient funds available on the Notes Calculation Date immediately preceding such Notes Payment Date to discharge all amounts of principal and interest due in respect of the Notes and any amounts required to be paid in priority or *pari passu* with each Class of Notes, other than the Class E Notes, in accordance with the Trust Deed.

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

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

(h) Clean-Up Call Option

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

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

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

(i) *Mandatory Redemption of Class E Notes*

Provided that no Enforcement Notice has been served in accordance with Condition 10, the Issuer will be obliged to apply the Class E Available Principal Funds to redeem (or partially redeem) on a *pro rata* basis the Class E Notes on the first Notes Payment Date falling in February 2019 and each Notes Payment Date thereafter until fully redeemed. For the purpose of this Condition, "**Class E Available Principal Funds**" shall mean on the Notes Calculation Date immediately preceding the relevant Notes Payment Date until the Class E Notes are redeemed in full, the Available Revenue Funds remaining after all payments ranking above item (o) in the Revenue Priority of Payments have been made in full.

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

7. Taxation

(a) General

All payments of, or in respect of, principal of and interest on the Notes will be made without withholding of, or deduction for, or on account of any present or future taxes, duties, assessments or charges of whatsoever nature imposed or levied by or on behalf of the Netherlands or any other jurisdiction, 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.

(b) FATCA Withholding

Payments in respect of the Notes might be subject to any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and any other jurisdiction facilitating the implementation thereof (or any law implementing such an intergovernmental agreement) ("**FATCA**", and any such withholding a "**FATCA Withholding**"). Any such FATCA Withholding will be treated as paid for all purposes under the Notes, and no additional amounts will be paid on the Notes with respect to any such withholding or deduction.

8. Prescription

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

9. Subordination

(a) *Interest*

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

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

shortfall and accrued interest thereon shall be aggregated with the amount of, and treated for the purpose of these Conditions as if it were interest due, subject to this Condition, on each Class B Note on the next succeeding Notes Payment Date.

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

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

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

(b) Principal

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

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

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

The Class E Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Class E Notes after the date on which the Issuer no longer holds any Mortgage Receivables and there is no balance standing to the credit of the Issuer Transaction Accounts and the Issuer has no further rights under or in connection with any of the Transaction Documents.

10. Events of Default

The Security Trustee at its discretion may, and if so directed by an Extraordinary Resolution of the holders of the Most Senior Class of Notes (subject, in each case, to being indemnified to its satisfaction) (in each case, the "**Relevant Class**") shall (but in the case of the occurrence of any of the events mentioned in (b) below, only if the Security Trustee shall have certified in writing to the Issuer that such an event is, in its opinion, materially prejudicial to the Noteholders of the Relevant Class) give an Enforcement Notice to the Issuer that the Notes are, and each Note shall become, immediately due and payable at their or its Principal Amount Outstanding, together with accrued interest, if any of the following shall occur (each an "**Event of Default**"):

(a) default is made for a period of seven (7) days in the payment of principal of, or default is made for a period of fourteen (14) days in the payment of interest on, the Notes of the Relevant Class when and as the same ought to be paid in accordance with these Conditions; or

(b) the Issuer fails to perform any of its other obligations binding on it under the Notes of the Relevant Class, the Trust Deed, the Paying Agency Agreement or the Pledge Agreements and, except where such failure, in the reasonable opinion of the Security Trustee, is incapable of remedy, such default continues for a period of thirty (30) days after written notice by the Security Trustee to the Issuer requiring the same to be remedied; or

(c) if a conservatory attachment (*conservatoir beslag*) or an executory attachment (*executoriaal beslag*) on any major part of the Issuer's assets is made and not discharged or released within a period of 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,

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

11. Enforcement, Limited Recourse and Non-Petition

(a) At any time after the obligations under the Notes of any Class become due and payable, the Security Trustee may, at its discretion and without further notice, take such steps and/or institute such proceedings as it may think fit to enforce the terms of the Parallel Debt Agreement, including the making of a demand for payment thereunder, the Trust Deed, the Pledge Agreements and the Notes and any of the other Transaction Documents, but it need not take any such proceedings unless (i) it shall have been directed by an Extraordinary Resolution of the holders of the Relevant Class and (ii) it shall have been indemnified to its satisfaction.

(b) Notwithstanding Condition 11(a) above, if the obligations under the Notes have become due and payable pursuant to Condition 10 otherwise than by reason of a default in payment of any amount due pursuant to the obligations under the Class A Notes, the Security Trustee will not be entitled to dispose of the assets pledged to it on the basis of the Pledge Agreements, unless either a sufficient amount would be realised to allow discharge in full of, all amounts owing to the Class A Noteholders or if the Security Trustee is of the opinion, reached after considering the advice of a financial adviser selected by the Security Trustee for the purpose of giving such advice, that the cash flow prospectively receivable by the Issuer will not (or that there is a significant risk that it will not) be sufficient, having regard to any other relevant actual, contingent or prospective liabilities of the Issuer, to discharge in full in due course all amounts owing to the Class A Noteholders in accordance with the Priority of Payments as set out in the Trust Deed.

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

(d) The Noteholders may not proceed directly against the Issuer unless the Security Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

(e) The Noteholders and the Security Trustee may not institute against, or join any person in instituting against, the Issuer any bankruptcy, winding-up, reorganisation, arrangement, insolvency or liquidation proceeding until the expiry of a period of at least one year after the latest maturing Note has been paid in full. The Noteholders accept and agree that, the only remedy of the Security Trustee against the Issuer after any of the Notes have become due and payable pursuant to Condition 10 above is to enforce the Security.

12. Indemnification of the Security Trustee

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

13. Notices

With the exception of the publications of the Reference Agent or Paying Agent in Condition 4 and of the Issuer in Condition 6, all notices to the Noteholders will only be valid if published in at least one daily

newspaper of wide circulation in the Netherlands, or, if all such newspapers shall cease to be published or timely publication therein shall not be practicable, in such newspaper as the Security Trustee shall approve having a general circulation in Europe and, as long as the Notes, other than the Class E Notes, are listed on Euronext Amsterdam, any notice will also be made to Euronext Amsterdam. Any such notice shall be deemed to have been given on the first date of such publication.

14. Meetings of Noteholders; Modification; Consents; Waiver

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

(a) *Meeting of Noteholders*

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

(b) *Quorum*

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

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

(c) *Extraordinary Resolution*

A Meeting shall have power, exercisable only by Extraordinary Resolution, without prejudice to any other powers conferred on it or any other person:

a. to approve any proposal for any modification of any provisions of the Trust Deed, the Conditions, the Notes or any other Transaction Document or any arrangement in respect of the obligations of the Issuer under or in respect of the Notes;
b. to waive any breach or authorise any proposed breach by the Issuer of its obligations under or in respect of the Trust Deed or the Notes or any act or omission which might otherwise constitute an Event of Default under the Notes;
c. to authorise the Security Trustee (subject to it being indemnified and/or secured to its satisfaction) or any other person to execute all documents and do all things necessary to give effect to any Extraordinary Resolution;
d. to discharge or exonerate the Security Trustee from any liability in respect of any act or omission for which it may become responsible under the Trust Deed or the Notes;
e. to give any other authorisation or approval which under the Trust Deed or the Notes is required to be given by Extraordinary Resolution; and
f. to appoint any persons as a committee to represent the interests of Noteholders and to confer upon such committee any powers which Noteholders could themselves exercise by Extraordinary Resolution.

(d) *Limitations*

An Extraordinary Resolution passed at any Meeting of the Most Senior Class shall be binding upon all Noteholders of a Class other than the Most Senior Class irrespective of the effect upon them, except that an Extraordinary Resolution approving a Basic Terms Change shall not be effective for any purpose unless it shall have been approved by Extraordinary Resolutions of Noteholders of

each such Class (other than the Most Senior Class) or unless and to the extent that it shall not, in the sole opinion of the Security Trustee, be materially prejudicial to the interests of Noteholders of each such Class.

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

(e) *Modifications agreed with the Security Trustee*

The Security Trustee may agree without the consent of the Noteholders to (i) any modification or waiver of any of the provisions of the Notes and the Transaction Documents which is of a formal, minor or technical nature or is made to correct a manifest error or is made in order for the Issuer to comply with its EMIR obligations, which is required under the Securitisation Regulation and/or for the transaction to qualify as STS Securitisation, or which is a result of the determination of the Replacement Reference Rate, and (ii) any other modification, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Notes and the Transaction Documents, and any consent, including to the transfer of the rights and obligations under a Transaction Document by the relevant counterparty to a successor, which is in the opinion of the Security Trustee not materially prejudicial to the interests of the Noteholders, provided that the Security Trustee has received Credit Rating Agency Confirmation in respect of (ii). Any such modification, authorisation, waiver or consent shall be binding on the Noteholders.

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

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

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

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

15. Replacement of Notes and Coupons

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

16. Governing Law and Jurisdiction

The Notes and Coupons and any non-contractual obligations arising out of or in relation to the Notes and the Coupons are governed by, and will be construed in accordance with, Dutch law. Any disputes arising out of

or in connection with the Notes and the Coupons including, without limitation disputes relating to any non-contractual obligations arising out of or in connection with the Notes and the Coupons, shall be submitted to the exclusive jurisdiction of the competent court of Amsterdam, the Netherlands.

4.2 FORM

Each Class of Notes shall be initially represented by a Temporary Global Note in bearer form, with coupons attached, (i) in the case of the Class A Notes in the principal amount of EUR 447,300,000, (ii) in the case of the Class B Notes in the principal amount of EUR 8,100,000, (iii) in the case of the Class C Notes in the principal amount of EUR 9,900,000, (iv) in the case of the Class D Notes in the principal amount of EUR 10,900,000 and (v) in the case of the Class E Notes in the principal amount of EUR 4,700,000. Each Temporary Global Note will be deposited with the Common Safekeeper for Euroclear and/or Clearstream, Luxembourg on or about the Closing Date. Upon deposit of each such Temporary Global Note, Euroclear and/or Clearstream, Luxembourg, as the case may be, will credit each purchaser of Notes represented by such Temporary Global Note with the principal amount of the relevant Class of Notes equal to the principal amount thereof for which it has purchased and paid. Interests in each Temporary Global Note will be exchangeable (provided certification of non-U.S. beneficial ownership by the Noteholders has been received) not earlier than the Exchange Date for interests in a Permanent Global Note in bearer form, with coupons, in the principal amount of the Notes of the relevant Class. On the exchange of a Temporary Global Note for a Permanent Global Note of the relevant Class of Notes, the Permanent Global Note will remain deposited with the Common Safekeeper.

The Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Class A Notes are intended to be deposited upon issue with the Common Safekeeper, which is a recognised International Central Securities Depository (ICSDs), but this does not necessarily mean that the Class A Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria. The Subordinated Notes are not intended to be held in a manner which allows Eurosystem eligibility. The Notes are held in book-entry form.

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

For so long as any Notes are represented by a Global Note, such Notes will be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as appropriate, in the minimum authorised denomination of EUR 100,000. All such Notes will be serially numbered and will be issued in bearer form with (at the date of issue) Coupons and, if necessary, talons attached.

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

For so long as the Notes of a particular Class are represented by a Global Note, each person who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular principal amount of that Class of Notes will be treated by the Issuer and the Security Trustee as a holder of such principal amount of that Class of Notes and the expression "**Noteholder**" shall be construed accordingly, but without prejudice to the entitlement of the bearer of the relevant Global Note to be paid

principal thereon and interest with respect thereto in accordance with and subject to its terms. Any statement in writing issued by Euroclear or Clearstream, Luxembourg as to the persons shown in its records as being entitled to such Notes and the respective principal amount of such Notes held by them shall be conclusive for all purposes.

If after the Exchange Date (i) the Notes become immediately due and payable by reason of accelerated maturity following an Event of Default, or (ii) either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of fourteen (14) calendar days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business and no alternative clearance system satisfactory to the Security Trustee is available, or (iii) as a result of any amendment to, or change in the laws or regulations of the Netherlands (or of any political sub-division thereof) or of any authority therein or thereof having power to tax, or in the interpretation or administration of such laws or regulations, which becomes effective on or after the Closing Date, the Issuer or Paying Agent is or will be required to make any deduction or withholding on account of tax from any payment in respect of the Notes which would not be required were the Notes in definitive form, then the Issuer will, at its sole cost and expense, issue Definitive Notes in exchange for the whole (or remaining part(s) outstanding) of the relevant Permanent Global Notes which represent such Notes, in each case within thirty (30) days of the occurrence of the relevant event, subject in each case to certification as to non-U.S. beneficial ownership.

4.3 SUBSCRIPTION AND SALE

The Class A Managers have, pursuant to the Class A Notes Purchase Agreement, agreed with the Issuer, subject to certain conditions, to purchase the Class A Notes at their issue price. Furthermore, the Subordinated Notes Manager has, pursuant to the Subordinated Notes Purchase Agreement, agreed with the Issuer, subject to certain conditions, to purchase the Subordinated Notes at their respective issue prices. The Issuer has agreed to indemnify and reimburse the Managers against certain liabilities and expenses in connection with the issue of the Notes.

Each reference in this section 4.3 (*Subscription and Sale*) to the "Notes" means with respect to the Class A Managers, the Class A Notes and with respect to the Subordinated Notes Manager, the Subordinated Notes.

Prohibition of Sales to EEA Retail Investors
Each of the Managers has represented and agreed, and each further manager appointed will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(ii) a customer within the meaning of Directive 2016/97/EU (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in the Prospectus Directive; and

(b) the expression “offer" includes 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.

United Kingdom
Each of the Managers has represented and agreed that:

(a) 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 Financial Services and Markets Act 2000 ("**FSMA**")) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

France
Each of the Managers has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and has not made and will not make any communication by any means about the offer to the public in France, and has not distributed, released or issued or caused to be distributed, released or issued and will not distribute, release or issue or cause to be distributed, released or issued to the public in France, or used in connection with any offer for subscription or sale of the Notes to the public in France, this Prospectus, or any other offering material relating to the Notes, and that such offers, sales, communications and distributions have been and shall be made in France only to (a) authorised providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (b) qualified investors (*investisseurs qualifiés*) or a restricted circle of investors (*cercle restreint*

d'investisseurs), in each case, acting for their own account, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-4 of the French Code monétaire et financier.

In addition, pursuant to article 211-3 of the *Règlement Général* of the French Autorité des Marchés Financiers ("**AMF**"), the Manager must disclose to any investors in a private placement as described in the above that: (i) the offer does not require a prospectus to be submitted for approval to the AMF, (ii) persons or entities mentioned in sub-paragraph 2° of paragraph II of article L. 411-2 of the French Code monétaire et financier (i.e., qualified investors (*investisseurs qualifiés*) or a restricted circle of investors (*cercle restraint d'investisseurs*) mentioned above) may take part in the offer solely for their own account, as provided in articles D. 411-1, D. 411-2, D. 734-1, D. 744-1, D. 754-1 and D. 764-1 of the French Code monétaire et financier and (iii) the financial instruments thus acquired cannot be distributed directly or indirectly to the public otherwise than in accordance with articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the French Code monétaire et financier.

Italy

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation and accordingly, each of the Managers has represented and agreed that save as set out below, it has not offered or sold and will not offer or sell any Notes in the Republic of Italy in an offer to the public and that sales of the Notes in the Republic of Italy shall be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulations.

Accordingly, each of the Managers has represented and agreed that it will not offer, sell or deliver any Notes or distribute copies of this Prospectus and any other document relating to the Notes in the Republic of Italy other than:

i. to "qualified investors", as referred to in Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Decree No. 58**") and defined in Article 34-ter, paragraph 1, let. b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended ("**Regulation No. 11971**"); or

ii. that it may offer, sell or deliver Notes or distribute copies of any prospectus relating to such Notes in an offer to the public in the period commencing on the date of publication of such prospectus, provided that such prospectus has been approved in another Relevant Member State and notified to CONSOB, all in accordance with the Directive 2003/71/EC of 4 November 2003 (the "**Prospectus Directive**" as amended, including by Directive 2010/73/EU), as implemented in Italy under Decree No. 58 and Regulation No. 11971, and ending on the date which is 12 months after the date of approval of such prospectus; or

iii. in any other circumstances where an express exemption from compliance with the offer restrictions applies, as provided under Decree No. 58 or Regulation No. 11971.

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

(a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1 September 1993 as amended, Decree No. 58 CONSOB Regulation No. No. 20307 of 15 February 2018, as amended and any other applicable laws and regulations;

(b) in compliance with Article 129 of Legislative Decree No. 385 of 1 September 1993, as amended (pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy) and the relevant implementing guidelines of the Bank of Italy issued on 25 August 2015 (as amended on 10 August 2016); and

(c) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

Provisions relating to the secondary market in the Republic of Italy

Investors should also note that, in any subsequent distribution of the Notes in the Republic of Italy, Article

100-bis of Decree No. 58 may require compliance with the law relating to public offers of securities. Furthermore, where the Notes are placed solely with "qualified investors" and are then systematically resold on the secondary market at any time in the 12 months following such placing, purchasers of Notes who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and, in addition, to claim damages from any authorised person at whose premises the Notes were purchased, unless an exemption provided for under Decree No. 58 applies.

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. Terms used in this paragraph have the meaning given to them by Regulation S.

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. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations thereunder.

Each of the Managers 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) calendar 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 Notes 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 Regulation S under the Securities Act.

In addition, until forty (40) calendar 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.

The Notes sold as part of the initial distribution of the Notes may not be purchased by any person except for persons that are not U.S. Risk Retention Persons. Prospective investors should note that, although the definition of "U.S. person" in the U.S. Risk Retention Rules is substantially the same as the definition of "U.S. person" in Regulation S, the definitions are not identical and persons who are not "U.S. persons" under Regulation S may be "U.S. persons" under the U.S. Risk Retention Rules.

Each purchaser of Notes, including beneficial interests in such Notes will, by its acquisition of a Note or a beneficial interest in a Note, be deemed, and in certain circumstances will be required, to have made the following representations: that it (1) is not a U.S. Risk Retention Person, (2) is acquiring such Notes or a beneficial interest in such Notes for its own account and not with a view to distribute such Notes, or, in the case of a distributor, will only distribute such Notes to a person who is not a U.S. Risk Retention Person, and (3) is not acquiring such Notes or a beneficial interest in such Notes as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such Note through a non-U.S. Risk Retention Person, rather than a U.S. Risk Retention Person, as part of a scheme to evade the 10 per cent. U.S. Risk Retention Person limitation in the exemption provided for under Section 246.20 of the U.S. Risk Retention Rules).

The Managers will note have any liability for compliance with the U.S. Risk Retention Rules by the Issuer or the Sellers or any other person. Because of the foregoing restrictions, purchasers of Notes are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of such securities offered and sold.

General

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

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

4.4 REGULATORY AND INDUSTRY COMPLIANCE

CRR, AIFMR, the Solvency II Regulation and the Securitisation Regulation

NIBC, in its capacity as allowed entity under paragraph 2 of Article 405 of the CRR, has undertaken in the Notes Purchase Agreements to retain, on an ongoing basis, a material net economic interest of not less than five (5) per cent. in the securitisation transaction described in this Prospectus in accordance with article 405(1)(d) CRR, article 51(1)(d) AIFMR and article 254(2)(d) and 256 Solvency II Regulation and, when applicable article 6(3)(d) of the Securitisation Regulation. As at the Closing Date, such material net economic interest will be held by NIBC in accordance with article 405(1)(d) CRR, article 51(1)(d) AIFMR and article 254(2)(d) Solvency II Regulation and, when applicable article 6(3)(d) of the Securitisation Regulation, by the retention of (a part of) the most junior class of the Subordinated Notes and, if necessary, other tranches of Notes having the same or a more severe risk profile than those transferred or sold to investors and not maturing any earlier than those transferred or sold to investors, so that the retention equals in total no less than five (5) per cent. of the nominal value of the Notes issued under this Prospectus.

The Notes Purchase Agreements include a representation and warranty of NIBC, with respect to each Seller as to its compliance with the requirements set forth in article 52 (a) up to and including (d) of the AIFMR, articles 408 and 409 of the CRR and articles 254 and 256 paragraph (3) sub (a) up to and including sub (c) and sub (e) of the Solvency II Regulation. In addition to the information set out herein and forming part of this Prospectus, NIBC, with respect to each Seller, has undertaken to make available materially relevant information to investors with a view to such investor complying with articles 405 up to and including 409 of the CRR, articles 51 and 52 of the AIFMR and articles 254 and 256 of the Solvency II Regulation and, if applicable, article 5 of the Securitisation Regulation, upon request.

The Issuer Administrator on behalf of the Issuer will prepare Notes and Cash Reports on a monthly basis wherein relevant information with regard to the Mortgage Loans and Mortgage Receivables will be disclosed publicly together with information on the retention of the material net economic interest by NIBC. The Notes and Cash Reports can be obtained as further described in section 8 (*General*) of this Prospectus. Each prospective investor is required to independently assess and determine the sufficiency of the information described above for the purposes of complying with articles 405 up to and including 409 of the CRR, articles 51 and 52 of the AIFMR and articles 254 and 256 of the Solvency II Regulation and none of the Issuer, the Security Trustee, nor the Managers (other than NIBC) nor the Sellers nor NIBC (in its capacity as Arranger, Servicer and Manager) makes any representation that the information described above is sufficient in all circumstances for such purposes.

NIBC and the Sellers accept responsibility for the information set out in this section 4.4 (*Regulatory and Industry Compliance*).

STS Statements

Pursuant to the Securitisation Regulation a number of requirements should be met if the originator and/or the SSPE wishes to use the designation 'STS' or 'simple, transparent and standardised' for securitisation transactions initiated by it. The Issuer, the Sellers and NIBC intend to, but are not obliged to, send an STS notification to ESMA in accordance with Article 27 in conjunction with Article 43 of the Securitisation Regulation, provided that the requirements of Articles 19 to 22 are met. The Issuer, the Sellers and NIBC have the intention to comply with such Articles 19 to 22 to the extent reasonably possible, and taking into account that not all information is available on the Securitisation Regulation before the Securitisation Regulation becomes applicable as of 1 January 2019. However, this does not mean that it gives any expenses or implied warranty as to compliance with the Securitisation Regulation nor that the transaction complies with the Securitisation Regulation nor that this securitisation transaction may be recognised or designated as 'STS' or 'simple, transparent and standardised' within the meaning of the Securitisation Regulation.

Without prejudice to the above and in anticipation of such possible STS notification, the Issuer and the Sellers confirm the following, which confirmations are made on the basis of the information available with respect to the Securitisation Regulation and related regulations and interpretations and regulations and interpretations in draft form at the time of this Prospectus, and are subject to any changes made therein after the date of this Prospectus:

- The representations and warranties, the Mortgage Loan Criteria and the Substitution Conditions and the Transaction Documents do not allow for active portfolio management of the Mortgage Loan Receivables on a discretionary basis.
- The Mortgage Receivables are (based on the available information on these criteria) homogeneous in terms of asset type, cash flows, credit risk and prepayment characteristics within the meaning of article 20(8) of the Securitisation Regulation (see also Section 6.1 (*Stratification Tables*)).
- The interest rate risks are appropriately mitigated (see Section 5.4 (*Hedging*)). Other than the Swap Agreement, no derivative contracts are entered into by the Issuer and no derivative contracts are included in the pool of underlying exposures within the meaning of article 21(2) Securitisation Regulation.
- After the Enforcement Date, no amount of cash shall be trapped in the Issuer beyond what is necessary to ensure the operational functioning of the Issuer or the orderly repayment of Noteholders in accordance with the Transaction Documents and the Notes will amortise sequentially (see also section 5 (*Credit Structure*), in particular section 5.2 (*Priorities of Payments*).
- No automatic liquidation for market value of the Mortgage Receivables is required under the Transaction Documents (see also Conditions 10 and 11 and section 7.1 (*Purchase, Repurchase an Sale*)).
- A sample of the Mortgage Receivables has been externally verified by KPMG Accountants N.V. prior to the date of this Prospectus, which include a verification that the data disclosed in respect of the Mortgage Receivables is accurate.

Credit ratings

It is a condition precedent to issuance that the Class A Notes, on issue, be assigned an 'AAA' sf rating by Fitch and an 'Aaa (sf)' rating by Moody's, the Class B Notes, on issue, be assigned an 'A+' sf rating by Fitch and an 'Aa1 (sf)' rating by Moody's, the Class C Notes, on issue, be assigned an 'A+' sf rating by Fitch and an 'Aa1 (sf)' rating by Moody's and the Class D Notes, on issue, be assigned an 'A-' sf rating by Fitch and an 'A1'(sf)' rating by Moody's. Credit ratings included or referred to in this Prospectus have been issued by Fitch and Moody's, each of which is established in the European Union and is registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on Credit Rating Agencies. The Class E Notes will not be assigned a rating.

Dutch Securitisation Standard

This Prospectus follows the template table of contents and the template glossary of defined terms (save as otherwise indicated in this Prospectus), and the investor reports to be published by the Issuer will follow the applicable template investor report (save as otherwise indicated in the relevant investor report), each as published by the Dutch Securitisation Association on its website www.dutchsecuritisation.nl. As a result the Notes comply with the standard created for residential mortgage-backed securities by the DSA (the RMBS Standard). This has also been recognised by Prime Collateralised Securities (PCS) Europe as the Domestic Market Guideline for the Netherlands in respect of this asset class.

PCS Label

An application has been made to Prime Collateralised Securities (PCS) UK Limited for the Class A Notes to receive the PCS Label and the Sellers currently expect that the Class A Notes will receive the PCS Label. However, there can be no assurance that the Class A Notes will receive the PCS Label (either before issuance or at any time thereafter) and if the Class A Notes do receive the PCS Label, there can be no assurance that the PCS Label will not be withdrawn from the Class A Notes at a later date.

The PCS Label is not a recommendation to buy, sell or hold securities. It is not investment advice whether generally or as defined under MiFID II and it is not a credit rating whether generally or as defined under the CRA Regulation or Section 3(a) of the United States Securities Exchange Act of 1934 (as amended by the Credit Agency Reform Act of 2006). Prime Collateralised Securities (PCS) UK Limited is not an "expert" as defined in the United States Securities Acts of 1933 (as amended).

By awarding the PCS Label to certain securities, no views are expressed about the creditworthiness of these securities or their suitability for any existing or potential investor or as to whether there will be a ready, liquid market for these securities. Investors should conduct their own research regarding the nature of the PCS Label and must read the information set out in http://pcsmarket.org.

Volcker Rule

The Issuer is not, and solely after giving effect to any offering and sale of the Notes and the application of the proceeds thereof will not be, a "covered fund" for purposes of regulations adopted under Section 13 of the Bank Holding Company Act of 1956, as amended (commonly known as the Volcker Rule). In reaching this conclusion, although other statutory or regulatory exclusions and/or exemptions under the Investment Company Act and under the Volcker Rule and its related regulations may be available, the Issuer has relied on the determinations that (i) the Issuer would satisfy all of the elements of the exemption from registration under the Investment Company Act provided by Section 3(c)(5)(C) thereunder, and, accordingly, (ii) the Issuer may rely on the exemption from the definition of a "covered fund" under the Volcker Rule made available to entities that do not rely solely on Section 3(c)(1) or Section 3(c)(7) of the Investment Company Act for their exclusion and/or exemption from registration under the Investment Company Act.

4.5 USE OF PROCEEDS

The aggregate net proceeds of the Notes to be issued on the Closing Date amount to EUR 480,900,000.

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

4.6 TAXATION IN THE NETHERLANDS

The following is a general summary of certain material Netherlands tax consequences of the acquisition, holding and disposal of the Notes. This summary does not purport to describe all possible tax considerations or consequences that may be relevant to a holder or prospective holder of Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as trusts or similar arrangements) may be subject to special rules. In view of its general nature, it should be treated with corresponding caution. Holders or prospective holders of Notes should consult their own tax advisers with regard to the tax consequences of investing in the Notes in their particular circumstances. The discussion below is included for general information purposes only.

This summary is based on the tax laws of the Netherlands, published regulations thereunder and published authoritative case law, all as in effect on the date hereof, and all of which are subject to change or to different interpretation, possibly with retroactive effect. Where this summary refers to "the Netherlands" it refers only to the part of the Kingdom of the Netherlands located in Europe.

Withholding tax

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

Taxes on income and capital gains

Please note that the summary in this section does not describe the Netherlands tax consequences for:

i. holders of Notes if such holders, and in the case of individuals, his or her partner or certain of their relatives by blood or marriage in the direct line (including foster children), have a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Issuer under the Netherlands Income Tax Act 2001 (*Wet inkomstenbelasting 2001*). Generally speaking, a holder of securities in a company is considered to hold a substantial interest in such company, if such holder alone or, in the case of individuals, together with his or her partner (as defined in the Netherlands Income Tax Act 2001), directly or indirectly, holds (i) an interest of 5 per cent. or more of the total issued and outstanding capital of that company or of 5 per cent. or more of the issued and outstanding capital of a certain class of shares of that company; or (ii) rights to acquire, directly or indirectly, such interest; or (iii) certain profit sharing rights in that company that relate to 5 per cent. or more of the company's annual profits and/or to 5 per cent. or more of the company's liquidation proceeds. A deemed substantial interest may arise if a substantial interest (or part thereof) in a company has been disposed of, or is deemed to have been disposed of, on a non-recognition basis;

ii. pension funds, investment institutions (*fiscale beleggingsinstellingen*), exempt investment institutions (*vrijgestelde beleggingsinstellingen*) (as defined in the Netherlands Corporate Income Tax Act 1969; *Wet op de vennootschapsbelasting 1969*) and other entities that are, in whole or in part, not subject to or exempt from Netherlands corporate income tax; and

iii. holders of Notes who are individuals for whom the Notes or any benefit derived from the Notes are a remuneration or deemed to be a remuneration for activities performed by such holders or certain individuals related to such holder (as defined in the Netherlands Income Tax Act 2001).

Netherlands Resident Entities

Generally speaking, if the holder of Notes is an entity that is a resident or deemed to be resident of the Netherlands for Netherlands corporate income tax purposes (a "**Netherlands Resident Entity**"), any payment under the Notes or any gain or loss realised on the disposal or deemed disposal of the Notes is subject to Netherlands corporate income tax at a rate of 20 per cent. with respect to taxable profits up to EUR 200,000 and 25 per cent. with respect to taxable profits in excess of that amount (rates and brackets for 2018).

Netherlands Resident Individuals
If the holder of Notes is an individual, resident or deemed to be resident of the Netherlands for Netherlands income tax purposes (a "Netherlands Resident Individual"), any payment under the Notes or any gain or loss realized on the disposal or deemed disposal of the Notes is taxable at the progressive income tax rates (with a maximum of 51.95 per cent. in 2018), if:

i. the Notes are attributable to an enterprise from which the holder of Notes derives a share of the profit, whether as an entrepreneur (*ondernemer*) or as a person who has a co entitlement to the net worth (*medegerechtigd tot het vermogen*) of such enterprise without being a shareholder (as defined in the Netherlands Income Tax Act 2001); or

ii. the holder of Notes is considered to perform activities with respect to the Notes that go beyond ordinary asset management (*normaal, actief vermogensbeheer*) or derives benefits from the Notes that are taxable as benefits from other activities (*resultaat uit overige werkzaamheden*).

Income from savings and investments. If the above-mentioned conditions i. and ii. do not apply to the individual holder of Notes, such holder will be taxed annually on a deemed, variable return (with a maximum of 5.38 per cent. in 2018) on his or her net investment assets for the year (*rendementsgrondslag*) at an income tax rate of 30 per cent. The net investment assets for the year are the fair market value of the investment assets less the allowable liabilities on 1 January of the relevant calendar year. The Notes are included as investment assets. A tax free allowance may be available. Actual income, gains or losses in respect of the Notes are as such not subject to Netherlands income tax. For the net investment assets on 1 January 2018, the deemed return ranges from 2.02 per cent. up to 5.38 per cent. (depending on the aggregate amount of the net investments assets on 1 January 2018). The deemed, variable return will be adjusted annually on the basis of historic market yields.

Non-residents of the Netherlands
A holder of Notes that is neither a Netherlands Resident Entity nor a Netherlands Resident Individual will not be subject to Netherlands taxes on income or capital gains in respect of any payment under the Notes or in respect of any gain or loss realized on the disposal or deemed disposal of the Notes, provided that:

i. such holder does not have an interest in an enterprise or deemed enterprise (as defined in the Netherlands Income Tax Act 2001 and the Netherlands Corporate Income Tax Act 1969) which, in whole or in part, is either effectively managed in the Netherlands or carried on through a permanent establishment, a deemed permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise the Notes are attributable; and

ii. in the event the holder is an individual, such holder does not carry out any activities in the Netherlands with respect to the Notes that go beyond ordinary asset management and does not derive benefits from the Notes that are taxable as benefits from other activities in the Netherlands.

Gift and inheritance taxes

Residents of the Netherlands
Gift or inheritance taxes will arise in the Netherlands with respect to a transfer of the Notes by way of a gift by, or on the death of, a holder of such Notes who is resident or deemed to be resident of the Netherlands at the time of the gift or his or her death.

Non-residents of the Netherlands
No Netherlands gift or inheritance taxes will arise on the transfer of Notes by way of gift by, or on the death of, a holder of Notes who is neither resident nor deemed to be resident of the Netherlands, unless:

i. in the case of a gift of a Note by an individual who at the date of the gift was neither resident nor deemed to be resident of the Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident of the Netherlands; or

ii. the transfer is otherwise construed as a gift or inheritance made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in the Netherlands.

For purposes of Netherlands gift and inheritance taxes, amongst others, a person that holds the Netherlands nationality will be deemed to be resident of the Netherlands if such person has been resident in the Netherlands at any time during the ten (10) years preceding the date of the gift or his or her death. Additionally, for purposes of Netherlands gift tax, amongst others, a person not holding the Netherlands nationality will be deemed to be resident of the Netherlands if such person has been resident in the Netherlands at any time during the twelve (12) months preceding the date of the gift. Applicable tax treaties may override deemed residency.

Value added tax (VAT)

No Netherlands VAT will be payable by the holders of the Notes on (i) any payment in consideration for the issue of the Notes or (ii) the payment of interest or principal by the Issuer under the Notes.

Other taxes and duties

No Netherlands registration tax, stamp duty or any other similar documentary tax or duty will be payable by the holders of the Notes in respect or in connection with (i) the issue of the Notes or (ii) the payment of interest or principal by the Issuer under the Notes.

4.7 SECURITY

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

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

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

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

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

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

The security rights described above shall serve as security for the benefit of the Secured Creditors, including each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholder and the Class E Noteholders but amounts owing to the Class B Noteholders will rank in priority of payment after amounts owing to the Class A Noteholders, amounts owing to the Class C Noteholders will rank in priority of payment after amounts owing to the Class A Noteholders and the Class B Noteholders, amounts owing to the Class D Noteholders will rank in priority of payment after amounts owing to the Class A Noteholders, the Class B Noteholders and the Class C Noteholders and amounts owing to the Class E Noteholders will rank in priority of payment after amounts owing to the Class A Noteholders, the Class B Noteholders, the Class C Noteholders and the Class D Noteholders (see section 5 (*Credit Structure*)).

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

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

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

Furthermore, such parties will agree in the Collection Foundation Account Pledge Agreement that (i) the share (*aandeel*) in each co-held right of pledge will be equal to the amounts collected from the respective mortgage receivables purchased by each Previous Transaction SPV and the amounts collected from the Mortgage Receivables, respectively, and (ii) in case of foreclosure of the right of pledge on the Collection Foundation Accounts the proceeds will be divided according to each share. It is uncertain whether this sharing arrangement is enforceable in the event that the Issuer, the Security Trustee, the Previous Transaction SPVs and the Previous Transaction Security Trustees should become insolvent. However, the Issuer has been advised that the insolvency of the Collection Foundation would not affect this arrangement. In this respect it will be agreed that in case of a breach by a party of its obligations under the abovementioned agreements or if such agreement is dissolved, void, nullified or ineffective for any reason in respect of such party, such party shall compensate the other parties forthwith for any and all loss, costs, claim, damage and expense whatsoever which such party incurs as a result hereof.

5. CREDIT STRUCTURE

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

5.1 AVAILABLE FUNDS

Available Revenue Funds

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

(i) as interest, including penalty interest, on the Mortgage Receivables received by the Issuer on or prior to such Notes Calculation Date and paid by the Borrowers during such Notes Calculation Period, including, in respect of interest, any amounts paid by the Borrowers on the first, second and third Business Day following such Notes Calculation Period (and, for the avoidance of doubt, including in respect of the first Notes Calculation Period the amounts received as Pre-Closing Proceeds to the extent not relating to principal), but excluding any such amounts received by the Sellers and/or the Collection Foundation during such Notes Calculation Period and already included in the Available Revenue Funds calculated on the Notes Calculation Date immediately preceding such Notes Calculation Date;

(ii) as interest accrued (to the extent the interest on the relevant account is positive) on the Issuer Accounts, other than the Swap Collateral Account;

(iii) as Prepayment Penalties under the Mortgage Receivables;

(iv) as Net Foreclosure Proceeds on any Mortgage Receivables, to the extent such proceeds do not relate to principal;

(v) as amounts to be drawn under the Cash Advance Facility whether or not from the Cash Advance Facility Stand-by Drawing Account (other than Cash Advance Facility Stand-by Drawings) on the immediately succeeding Notes Payment Date;

(vi) as amounts to be received from the Swap Counterparty under the Swap Agreement, on the immediately succeeding Notes Payment Date, excluding for the avoidance of doubt, any collateral provided by the Swap Counterparty pursuant to the Swap Agreement (for the avoidance of doubt, unless such collateral is available for inclusion in the Available Revenue Funds in accordance with the Trust Deed in connection with the termination of the Swap Agreement) and excluding any upfront payment by a replacement swap counterparty which is to be applied towards a termination payment in accordance with the Trust Deed;

(vii) as amounts received in connection with a repurchase of Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement or any other amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts do not relate to principal;

(viii) as amounts received in connection with a sale of Mortgage Receivables pursuant to the Trust Deed to the extent such amounts do not relate to principal 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;

(ix) as amounts received as post-foreclosure proceeds on the Mortgage Receivables;

(x) (a) as amounts to be drawn from the Reserve Account, (b) any amounts to the extent relating to interest debited to the Interest Reconciliation Ledger and released from the Issuer Collection

Account on the immediately succeeding Notes Payment Date;

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

less

(xii) (a) on the first Notes Payment Date of each calendar year, an amount equal to ten (10) per cent. of the Issuer's annual fixed operational expenses of the immediately preceding calendar year with a minimum of EUR 2,500 in accordance with item (a) of the Revenue Priority of Payments, but only to the extent the amount of such expenses is not directly related to the Issuer's liabilities and (b) any part of the Available Revenue Funds required to be credited to the Interest Reconciliation Ledger on the immediately succeeding Notes Payment Date in accordance with the Administration Agreement,

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

Available Principal Funds

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

(i) as repayment and prepayment of principal in part under the Mortgage Receivables received by the Issuer on or prior to such Notes Calculation Date and paid by the Borrower during such Notes Calculation Period, including, in respect of principal, any amounts paid on the first, second and third Business Day following such Notes Calculation Period, subject to practical implementation i.e. whether these amounts can be used in the calculation and are timely available, (and, for the avoidance of doubt, including in respect of the first Notes Calculation Period the amounts received as Pre-Closing Proceeds to the extent relating to principal), but excluding any such amounts received by the Sellers and/or the Collection Foundation during such Notes Calculation Period and already included in the Available Principal Funds calculated on the Notes Calculation Date immediately preceding such Notes Calculation Date, excluding Prepayment Penalties;

(ii) as repayment and prepayment of principal in full under the Mortgage Receivables received by the Issuer on or prior to such Notes Calculation Date and paid by the Borrower during such Notes Calculation Period, including, in respect of principal, any amounts paid on the first, second and third Business Day following such Notes Calculation Period, subject to practical implementation i.e. whether these amounts can be used in the calculation and are timely available, (and, for the avoidance of doubt, including in respect of the first Notes Calculation Period the amounts received as Pre-Closing Proceeds to the extent relating to principal), but excluding any such amounts received by the Sellers and/or the Collection Foundation during such Notes Calculation Period and already included in the Available Principal Funds calculated on the Notes Calculation Date immediately preceding such Notes Calculation Date, excluding Prepayment Penalties;

(iii) as Net Principal Proceeds on any Mortgage Receivable;

(iv) as amounts received in connection with a repurchase of Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement and any other amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal;

(v) as amounts received in connection with a sale of Mortgage Receivables pursuant to the Trust Deed to the extent such amounts relate to principal but up to the aggregate Outstanding Principal Amount of such Mortgage Receivables;

(vi) as amounts to be credited to the Principal Deficiency Ledger on the immediately succeeding Notes Payment Date in accordance with the Administration Agreement;

(vii) as amounts received on the Issuer Collection Account on such Notes Payment Date from the credit balance of the Construction Deposit Account in cases where the relevant Construction Deposit to the extent relating to Mortgage Receivables is disbursed to the relevant Borrower by means of set off with the Mortgage Receivables or has not been used by the Borrower after expiry of the agreed term; and

(viii) (a) any part of the Available Principal Funds calculated on the immediately preceding Notes Calculation Date, which has not been applied towards redemption of the Notes on the immediately preceding Notes Payment Date, (b) any amount to the extent relating to principal to be drawn from Principal Reconciliation Ledger on the immediately succeeding Notes Payment Date and in respect of the first Notes Payment Date following the Closing Date only (c) an amount equal to the difference between (a) the Principal Outstanding Amount of the Notes on the Closing Date, other than the Class E Notes, and (b) the Initial Purchase Price of the Mortgage Receivables purchased on the Closing Date;

(ix) the amount of the Available Revenue Funds credited towards item (r) of the Revenue Priority of Payments;

less:

(x) (a) the Substitution Available Amount, if and to the extent such amount will be actually applied to the purchase of New Mortgage Receivables on the immediately succeeding Notes Payment Date (b) any part of the Available Principal Funds required to be credited to the Principal Reconciliation Ledger on the immediately succeeding Notes Payment Date in accordance with the Administration Agreement,

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

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

If at any time the unsecured, unsubordinated and unguaranteed debt obligations of the Foundation Accounts Provider (or a successor bank where the Collection Foundation Accounts are held) are assigned a rating of less than the Collection Bank Required Rating the Collection Foundation will as soon as reasonably possible, but at least within thirty (30) days either (i) transfer the Collection Foundation Accounts to an alternative bank with at least the Collection Bank Required Rating or (ii) ensure that payments to be made in respect of amounts received on a Collection Foundation Account relating to Mortgage Receivables will be guaranteed by a third party with at least the Collection Bank Required Rating, a copy of which guarantee shall in advance be submitted for approval to the Credit Rating Agencies and shall otherwise meet the relevant Credit Rating Agency requirements, where applicable, or (iii) implement any other actions agreed at that time with the relevant Credit Rating Agencies.

"**Collection Bank Required Rating**" means the rating of at least (i) 'Prime-1' (short-term) by Moody's, (ii) 'F-1' (short-term issuer default rating) or 'A' (long-term issuer default rating) by Fitch Ratings Ltd., and (iii) BBB (long term) by Standard & Poor's Ratings Group, a division of The McGraw Hill Group of Companies, Inc.

If the Receivables Proceeds Distribution Agreement is amended with regard to the Collection Bank Required Rating to lower the rating of 'F-1' (short-term issuer default rating) or 'A' (long-term issuer default rating) by Fitch Ratings Ltd. to 'F-2' (short-term issuer default rating) or 'BBB' (long-term issuer default rating) by Fitch Ratings Ltd., the Security Trustee shall agree to this amendment without consent from the Noteholders being required, provided that at the same time it is also agreed and reflected in the relevant documents that amounts of principal, interest (including penalty interest) and Prepayment Penalties received in respect of the Mortgage Loans on the Collection Foundation Accounts will be transferred to the Issuer Collection Account monthly.

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

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

Calculations

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

In case the Issuer Administrator does not receive a Mortgage Report from the Servicer with respect to a Mortgage Calculation Period, then the Issuer and the Issuer Administrator on its behalf may use the three most recent Mortgage Reports for the purpose of calculating the amounts available to the Issuer to make payments, as further set out in the Administration Agreement. When the Issuer Administrator receives the Mortgage Reports relating to the Mortgage Calculation Period for which such calculations have been made, it will make reconciliation calculations and reconciliation payments by drawing amounts from the Reconciliation Ledger as set out in the Administration Agreement. Any (i) calculations properly done on the basis of such estimates in accordance with the Administration Agreement, (ii) payments made and not made under any of the Notes and the Transaction Documents in accordance with such calculations and (iii) reconciliation calculations and reconciliation payments made or payments not made as a result of such reconciliation calculations, each in accordance with the Administration Agreement, shall be deemed to be done, made or not made in accordance with the provisions of the Transaction Documents and will in itself not lead to an Event of Default or any other default under any of the Transaction Documents or breach of any triggers included therein (including but not limited to Assignment Notification Events).

5.2 PRIORITY OF PAYMENTS

Priority of Payments in respect of interest

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

(a) *first*, in or towards satisfaction, *pari passu* and *pro rata*, according to the respective amounts thereof, of (i) the fees, costs, expenses or other remuneration due and payable to the Directors in connection with the Management Agreements, (ii) any costs, charges, liabilities and expenses incurred by the Security Trustee under or in connection with any of the Transaction Documents (as defined in the Conditions), (iii) the fees and expenses due and payable to the Servicer under the Servicing Agreement, (iv) the fees and expenses due and payable to the Issuer Administrator under the Administration Agreement, (v) the Cash Advance Facility Commitment Fee to the Cash Advance Facility Provider under the Cash Advance Facility Agreement and (vi) amounts due to the Issuer Account Bank under the Issuer Account Agreement;

(b) *second*, in or towards satisfaction, *pari passu* and *pro rata*, according to the respective amounts thereof, of (i) any amounts due and payable to third parties under obligations incurred in the Issuer's business (other than under the Transaction Documents), including, without limitation, in or towards satisfaction of sums due or provisions for any payment of the Issuer's liability, if any, to tax (to the extent such amounts cannot be paid out of item (xii) under (a) of the Available Revenue Funds) and the fees and expenses of the Credit Rating Agencies and any legal adviser, auditor and accountant, appointed by the Issuer or the Security Trustee and (ii) fees and expenses due to the Paying Agent and the Reference Agent under the Paying Agency Agreement;

(c) *third*, in or towards satisfaction, *pari passu* and *pro rata*, according to the respective amounts thereof, of any amounts due and payable to the Cash Advance Facility Provider under the Cash Advance Facility Agreement or, following a Cash Advance Facility Stand-by Drawing in or towards satisfaction of sums to be credited to the Cash Advance Facility Stand-by Drawing Account, but excluding the Cash Advance Facility Commitment Fee payable under sub-paragraph (a) above and any gross-up amounts or additional amounts due under the Cash Advance Facility Agreement payable under sub-paragraph (p) below;

(d) *fourth*, in or towards satisfaction of amounts, if any, due but unpaid under the Swap Agreement (except for any Swap Counterparty Subordinated Payment and any Excess Swap Collateral and any Tax Credit);

(e) *fifth*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of interest due on the Class A Notes;

(f) *sixth*, in or towards satisfaction, of sums to be credited to the Class A Principal Deficiency Ledger until the debit balance, if any, on the Class A Principal Deficiency Ledger is reduced to zero;

(g) *seventh,* in or towards satisfaction of interest due or accrued due but unpaid on the Class B Notes;

(h) *eighth,* in or towards satisfaction of sums to be credited to the Class B Principal Deficiency Ledger until the debit balance, if any, on the Class B Principal Deficiency Ledger is reduced to zero;

(i) *ninth,* in or towards satisfaction of interest due or accrued due but unpaid on the Class C Notes;

(j) *tenth,* in or towards satisfaction of sums to be credited to the Class C Principal Deficiency Ledger until the debit balance, if any, on the Class C Principal Deficiency Ledger is reduced to zero;

(k) *eleventh,* in or towards satisfaction of interest due or accrued due but unpaid on the Class D Notes;

(l) *twelfth,* in or towards satisfaction of sums to be credited to the Class D Principal Deficiency Ledger until the debit balance, if any, on the Class D Principal Deficiency Ledger is reduced to zero;

(m) *thirteenth,* in or towards satisfaction of any sums required to be deposited on the Reserve Account or, as the case may be, to replenish the Reserve Account up to the amount of the Reserve Account Target Level;

(n) *fourteenth,* in or towards satisfaction of interest due or accrued due but unpaid on the Class E Notes;

(o) *fifteenth*, in or towards satisfaction of principal amounts due under the Class E Notes;

(p) *sixteenth*, in or towards satisfaction of any gross-up amounts or additional amounts due, if any, to the Cash Advance Facility Provider pursuant to the Cash Advance Facility Agreement;

(q) *seventeenth*, in or towards satisfaction of the Swap Counterparty Subordinated Payment due to the Swap Counterparty under the terms of the Swap Agreement;

(r) *eighteenth*, on the Notes Payment Date immediately following the First Optional Redemption Date and on any Optional Redemption Date thereafter as long as and to the extent that any Notes, other than the Class E Notes, are outstanding, in or towards satisfaction of principal amounts due under the Notes, other than the Class E Notes, until fully redeemed in accordance with the Conditions, by forming part of the Available Principal Funds; and

(s) *nineteenth*, in or towards satisfaction of a Deferred Purchase Price Instalment to NIBC for the benefit of the Sellers.

Priority of Payments in respect of principal

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

(a) *first,* after application of the Available Revenue Funds on such Notes Payment Date, in or towards satisfaction of any amounts due and payable to the Cash Advance Facility Provider, but excluding the Cash Advance Facility Commitment Fee payable under item (a) of the Revenue Priority of Payments and any gross-up amounts or additional amounts due under the Cash Advance Facility Agreement payable under sub-paragraph (p) of the Revenue Priority of Payments;

(b) *second*, in or towards satisfaction of principal amounts due under the Class A Notes on the relevant Notes Payment Date including, as the case may be, the Final Maturity Date, until fully redeemed in accordance with the Conditions;

(c) *third*, in or towards satisfaction of principal amounts due under the Class B Notes on the relevant Notes Payment Date, including, as the case may be, the Final Maturity Date, until fully redeemed in accordance with the Conditions;

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

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

Post-Enforcement Priority of Payments

Following delivery of an Enforcement Notice, the Enforcement Available Amount, will be paid to the Secured Creditors (including the Noteholders) in the following order of priority (and in each case only if and to the

extent payments of a higher priority have been made in full) (the "**Post-Enforcement Priority of Payments**"):

(a) *first*, in or towards satisfaction, *pari passu* and *pro rata*, according to the respective amounts thereof, of (i) the fees, costs, expenses or other remuneration due to the Directors (ii) any cost, charge, liability and expenses incurred by the Security Trustee under or in connection with any of the Transaction Documents, (iii) the fees and expenses of the Paying Agent incurred under the provisions of the Paying Agency Agreement, and (iv) the fees and expenses of the Servicer under the Servicing Agreement and (v) the fees and expenses of the Issuer Administrator under the Administration Agreement;

(b) *second*, to (i) the Cash Advance Facility Provider, in or towards satisfaction of amounts due but unpaid under the Cash Advance Facility Agreement, excluding the amounts payable under item (n) below and (ii) the Issuer Account Bank fees, negative interest and expenses due to the Issuer Account Bank under the Issuer Account Agreement;

(c) *third*, in or towards satisfaction of amounts, if any, due but unpaid to the Swap Counterparty under the Swap Agreement (except for any Swap Counterparty Subordinated Payment and any Excess Swap Collateral and any Tax Credit);

(d) *fourth*, *pro rata*, in or towards satisfaction of all amounts due but unpaid in respect of interest on the Class A Notes;

(e) *fifth*, *pro rata*, in or towards satisfaction of all amounts of principal and all other amounts due but unpaid in respect of the Class A Notes;

(f) *sixth*, in or towards satisfaction of all amounts due or accrued due but unpaid in respect of interest on the Class B Notes;

(g) *seventh*, in or towards satisfaction of all amounts of principal and all other amounts due but unpaid in respect of the Class B Notes;

(h) *eighth*, in or towards satisfaction of all amounts due or accrued due but unpaid in respect of interest on the Class C Notes;

(i) *ninth*, in or towards satisfaction of all amounts of principal and all other amounts due but unpaid in respect of the Class C Notes;

(j) *tenth*, in or towards satisfaction of all amounts due or accrued due but unpaid in respect of interest on the Class D Notes;

(k) *eleventh*, in or towards satisfaction of all amounts of principal and all other amounts due but unpaid in respect of the Class D Notes;

(l) *twelfth*, in or towards satisfaction of all amounts due or accrued due but unpaid in respect of interest on the Class E Notes;

(m) *thirteenth*, in or towards satisfaction of all amounts of principal and all other amounts due but unpaid in respect of the Class E Notes;

(n) *fourteenth*, in or towards satisfaction of gross-up amounts or additional amounts due, if any, to the Cash Advance Facility Provider pursuant to the Cash Advance Facility Agreement;

(o) *fifteenth*, in or towards satisfaction of the Swap Counterparty Subordinated Payment due to the Swap Counterparty under the terms of the Swap Agreement; and

(p) *sixteenth*, in or towards satisfaction of a Deferred Purchase Price Instalment to NIBC for the benefit of the Sellers.

5.3 LOSS ALLOCATION

Principal Deficiency Ledger

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

"**Realised Losses**" means, on any relevant Notes Calculation Date, the sum of the following amounts (a), (b) and (c):

(a) With respect to the Mortgage Receivables in respect of which the relevant Seller, the Issuer, the Servicer on behalf of the Issuer, or the Security Trustee has foreclosed from the Closing Date up to and including the immediately preceding Mortgage Calculation Period, the amount of difference between:

(i) The aggregate Outstanding Principal Amount of all foreclosed Mortgage Receivables; and
(ii) The amount of the Net Foreclosure Proceeds.

(b) With respect to the Mortgage Receivables sold by the Issuer, the amount of the difference, if any, between:

(i) The aggregate Outstanding Principal Amount of such Mortgage Receivables; and
(ii) The purchase price of the Mortgage Receivables sold to the extent relating to principal.

(c) With respect to the Mortgage Receivables in respect of which the Borrower has successfully asserted set-off or defence to payments, the amount by which the Mortgage Receivables have been extinguished (*teniet gegaan*) unless (any part of) such amount is received from the relevant Seller.

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

5.4 HEDGING

Mortgage Loan Interest Rates
The Mortgage Loan Criteria require that all Mortgage Receivables sold and assigned to the Issuer at Closing either bear (i) a fixed rate of interest or (ii) a floating rate of interest (as further described in section 6.2 (*Description of Mortgage Loans*)). The Mortgage Loan Criteria permit Mortgage Receivables bearing alternative types of interest offered by the relevant Seller. The range of interest rates is described further in section 6.2 (*Description of Mortgage Loans*). On the Cut-Off Date, the amount of Mortgage Loans of which the first interest reset date falls before the First Optional Redemption Date is 10.09 per cent. of the aggregate Outstanding Principal Amount of all Mortgage Receivables. After an interest reset the relevant Mortgage Receivables will remain in the pool subject to the prepayment by the relevant Borrower (see also '*Interest Rate Hedging'* below).

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

Under the Swap Agreement, the Issuer will agree to pay on the first Notes Payment Date falling in February 2019 and on each Notes Payment Date thereafter an amount equal to:

(i) the scheduled interest on the Mortgage Receivables due (calculated on each Notes Calculation Date as being due with respect to the Notes Calculation Period prior to such date); plus

(ii) any Prepayment Penalties received during the immediately preceding Notes Calculation Period; plus

(iii) the interest accrued (to the extent the interest on such account is positive) on the Issuer Collection Account with respect to the Notes Calculation Period prior to such date;

less:

(x) an excess margin of 0.50 per cent. per annum applied to the Outstanding Principal Amount of the Mortgage Receivables as of the first day of the immediately preceding Notes Calculation Period; and

(y) an amount equal to the expenses as described under (a) and (b) of the Revenue Priority of Payments on the first day of the relevant Notes Calculation Period plus the interest due on drawings under the Cash Advance Facility Agreement, subject to a maximum.

The Swap Counterparty will agree to pay on the first Notes Payment Date falling in February 2019 and on each Notes Payment Date thereafter an amount equal to the aggregate interest due under the Notes, other than the Class E Notes, on such Notes Payment Date calculated by reference to the Interest Rate for each such Class of Notes, in each case applied to an amount equal to the Principal Amount Outstanding of the relevant Class of Notes on such date less an amount equal to the balance standing on the relevant sub-ledger of the Principal Deficiency Ledger, if any, on the first day of the relevant Interest Period. The interest rate exposure in respect of the Class E Notes will not be hedged.

Payments under the Swap Agreement will be netted.
The Swap Agreement will be documented under an ISDA Master Agreement. The Swap Agreement may be terminated by the Issuer or the Swap Counterparty if, *inter alia*, an applicable Event of Default or Termination Event (as defined therein) occurs in relation to the other party, or if it becomes unlawful for either party to perform its obligations under the Swap Agreement. Events of Default under the Swap Agreement in relation to the Issuer will be limited to (i) non-payment under the Swap Agreement, (ii) certain insolvency events and (iii) the service of an Enforcement Notice. Upon the early termination of the Swap Agreement, the Issuer will endeavour to find a replacement swap counterparty to enter into a replacement

swap agreement on similar terms as the Swap Agreement.

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

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

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

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

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

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

Swap termination and payment by replacement swap counterparty

If following the termination of the Swap Agreement (i) an amount is due by the Issuer to the Swap Counterparty as termination payment (including any Swap Counterparty Subordinated Payment) and (ii) the Issuer receives an upfront payment from a replacement swap counterparty in connection with the entering into a replacement swap agreement as a result of the market value of such swap agreement, then the Issuer shall apply such amounts received from that replacement swap counterparty to pay an amount equal to such termination payment outside the Priority of Payments and such amount will not form part of the Available Revenue Funds.

EMIR

Under EMIR, (i) FCs and (ii) NFC+s must clear OTC derivative contracts that have been declared subject to the clearing obligation and that are entered into on or after the Clearing Start Date. These contracts have to be cleared through a CCP when they trade with each other, or with similar third country entities. Swaps, such as the Swap Agreement, have not (yet) been declared subject to the clearing obligation.

OTC derivative contracts that are not cleared by a CCP are subject to certain other risk-mitigation requirements, including arrangements for timely confirmation of OTC derivative contracts, portfolio reconciliation, dispute resolution and arrangements for monitoring the value of outstanding OTC derivative contracts. Certain of these risk mitigation requirements impose obligations on the Issuer in relation to the Swap Agreement. Another risk mitigation requirement under EMIR is the mandatory margining of non-cleared OTC derivative contracts, which is currently being phased in. This requirement does, however, not apply to NFC-s.

In addition, under EMIR, counterparties must report the conclusion, modification and termination of their OTC and exchange traded derivative contracts to a registered or recognised trade repository or to ESMA where a trade repository is not available. Under the EMIR Delegated Transaction Reporting Agreement entered into between the Issuer and the Swap Provider, the Swap Provider undertakes that it shall ensure that the details of the Swap Agreement will be reported to the trade repository both on behalf of itself and on behalf of the Issuer.

5.5 LIQUIDITY SUPPORT

Cash Advance Facility Agreement

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

If, at any time, (I)(a) the credit rating of the Cash Advance Facility Provider falls below the Requisite Credit Rating or any such credit rating is withdrawn, and (b) within the Relevant Remedy Period, (i) the Cash Advance Facility Provider, is not replaced by the Issuer with an alternative cash advance facility provider having the Requisite Credit Rating and (ii) a third party having the Requisite Credit Rating has not guaranteed the obligations of the Cash Advance Facility Provider which guarantee does not have an adverse effect on the then current ratings assigned to the Notes, other than the Class E Notes, and (iii) another solution acceptable to the Credit Rating Agencies is not found or (II) the Cash Advance Facility Provider refuses to comply with an extension request (each a "**Cash Advance Facility Stand-by Drawing Event**"), the Issuer will be required forthwith to draw down the entirety of the undrawn portion of the Cash Advance Facility, being a Cash Advance Facility Stand-by Drawing and credit such amount to the Cash Advance Facility Stand-by Drawing Account. Amounts so credited to the Cash Advance Facility Stand-by Drawing Account may be utilised by the Issuer in the same manner as a drawing under the Cash Advance Facility if the Cash Advance Facility had not been so drawn.

5.6 ISSUER TRANSACTION ACCOUNTS

Issuer Accounts

Issuer Collection Account

The Issuer will maintain with the Issuer Account Bank the Issuer Collection Account to which, *inter alia*, all amounts received (i) in respect of the Mortgage Receivables and (ii) from the other parties to the Transaction Documents will be paid. The Issuer Administrator will identify all amounts paid into the Issuer Collection Account, including the amounts received set out under (i) and (ii) above, in respect of the Mortgage Receivables.

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

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

Reserve Account

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

Amounts credited to the Reserve Account will be available on any Notes Payment Date to meet items (a) to (l) (inclusive) of the Revenue Priority of Payments, provided that all other amounts available to the Issuer for such purpose have been used or shall be used on such Notes Payment Date to meet these items (a) to (l) (inclusive) of the Revenue Priority of Payments.

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

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

Construction Deposit Account

The Issuer will also maintain with the Issuer Account Bank the Construction Deposit Account to which on the Closing Date or, in case of a purchase and assignment of New Mortgage Receivables, on the relevant purchase date, an amount corresponding to the aggregate Construction Deposit relating to the Relevant Mortgage Receivables will be credited. Payments may be made from the Construction Deposit Account on a Notes Payment Date only to satisfy payment by the Issuer to the relevant Seller of (part of) the Initial Purchase Price as a result of the distribution of (part of) the Construction Deposit by the relevant Seller to the relevant Borrowers. Besides this, the Construction Deposit Account will be debited with the amount having been set off against the Relevant Mortgage Receivables in connection with the Construction Deposits 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 Available Principal Funds.

Cash Advance Facility Stand-by Drawing Account

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

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

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

(i) to effect the return of Excess Swap Collateral to the Swap Counterparty (which return shall be effected by the transfer of such Excess Swap Collateral directly to the Swap Counterparty without deduction for any purpose, outside the Revenue Priority of Payments or, as applicable, the Post-Enforcement Priority of Payments) including any interest accrued on the Swap Collateral Account which may be paid in accordance with the credit support annex; or

(ii) following the termination of the Swap Agreement where an amount is owed by the Swap Counterparty to the Issuer (for the avoidance of doubt, after any close out netting has taken place), the collateral (in case of securities after liquidation or sale thereof) will form part of the Available Revenue Funds provided that such amount may be first applied towards, or reserved for, an upfront payment to a replacement swap counterparty outside the Revenue Priority of Payments until one year after such termination has occurred.

"**Excess Swap Collateral**" means, (x) in respect of the date such Swap Agreement is terminated, collateral of a value equal to the amount by which (i) the value of the Credit Support Balance (as defined in the credit support annex which forms part of the Swap Agreement) exceeds (ii) the value of the amounts owed by the Swap Counterparty (if any) to the Issuer pursuant to Section 6(e) of the Swap Agreement (for the avoidance of doubt, calculated prior to any netting or set-off of an Unpaid Amount equal to the value of the collateral) and (y) in respect of any other valuation date under the Swap Agreement, collateral of a value equal to the amount by which the value of the Credit Support Balance (as defined in the credit support annex which forms part of the Swap Agreement) exceeds the value of the Swap Counterparty's collateral posting requirements under the credit support annex which forms part of the Swap Agreement on such date, where "value" is, in each case, determined at the relevant time in accordance with the credit support annex which forms part of the Swap Agreement.

Rating Issuer Account Bank
If at any time the rating of the Issuer Account Bank falls below the Requisite Credit Rating or any such credit rating is withdrawn, the Issuer will be required within thirty (30) days in respect of a loss or withdrawal of the Requisite Credit Rating by Moody's and sixty (60) days in respect of a loss or withdrawal of the Requisite Credit Rating by Fitch after such reduction or withdrawal of such credit rating to (a) transfer the balance standing to the credit of the relevant Issuer Accounts to an alternative issuer account bank having at least the Requisite Credit Rating, (b) obtain a third party with at least the Requisite Credit Rating to guarantee the obligations of the Issuer Account Bank, which guarantee is in accordance with the then current criteria of the Credit Rating Agencies or, (c) find another solution so that the then current ratings of the Notes, other than the Class E Notes, are not adversely affected as a result thereof. The Issuer shall, promptly following the execution of such agreement, pledge its interests in such agreement and the Issuer Accounts in favour of the Security Trustee on the terms of the Issuer Rights Pledge Agreement, *mutatis mutandis*, to the satisfaction of the Security Trustee.

Interest Rate
The Issuer Account Bank will pay a rate of interest on the balance standing to the credit of the Issuer Accounts from time to time equal to the European Central Bank deposit facility rate if EONIA is below 0.5 per cent. or, if EONIA is above 0.5 per cent., EONIA minus 0.5 per cent. In the event that the interest rate accruing on the balances standing to the credit of any of the Issuer Accounts is less than zero, such amount will be payable by the Issuer to the Issuer Account Bank.

5.7 ADMINISTRATION AGREEMENT

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

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

Furthermore, pursuant to the Administration Agreement the Issuer Administrator will act as designated reporting entity in respect of the Notes issued by the Issuer for the purposes of article 8b of the CRA Regulation and the corresponding implementing measures from time to time (including the disclosure and reporting requirements under articles 3 to 7 of Regulation (EU) No. 2015/3).

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

Market Abuse Directive
Pursuant to the Administration Agreement, the Issuer Administrator shall, *inter alia*, procure compliance by the Issuer with all applicable legal requirements, including in respect of the below.

The Directive 2014/57/EU of 16 April 2014 on criminal sanctions for market abuse (the "**Market Abuse Directive**") and the Regulation 596/2014 of 16 April 2014 on market abuse (the "**Market Abuse Regulation**") and the Dutch legislation implementing this directive (the Market Abuse Directive, the Market Abuse Regulation and the Dutch implementing legislation together referred to as the "**MAD Regulations**"), *inter alia*, impose on the Issuer the obligations to disclose inside information and to maintain a list of persons that act on behalf of or for the account of the Issuer and who, on a regular basis, have access to inside information in respect of the Issuer.

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

6. PORTFOLIO INFORMATION

6.1 STRATIFICATION TABLES

Summary of the pool

The numerical information set out below relates to a preliminary pool of Mortgage Loans as at 1 October 2018 (the (Preliminary Pool). All amounts are in euro. The information set out below may not necessarily correspond to that of the Mortgage Receivables actually sold and assigned to the Issuer on the Closing Date. After the Closing Date the portfolio will change from time to time as a result of repayment, prepayment, amendment and repurchase of Mortgage Receivables and the purchase of New Mortgage Receivables.

Stratifications

1. Key Characteristics

Description	As per Reporting Date	As per Closing Date
Principal amount	476,199,989.21	
Value of savings deposits	0.00	
Net principal balance	476,199,989.21	
Construction Deposits	1,413,083.34	
Net principal balance excl. Construction and Saving Deposits	474,786,905.87	
Negative balance	0.00	0.00
Net principal balance excl. Construction and Saving Deposits and Negative Balance	474,786,905.87	0.00
Number of loans	2,502	0
Number of loanparts	4,241	
Number of negative loanparts	0	0
Average principal balance (borrower)	190,327.73	0.00
Weighted average current interest rate	3.19%	
Weighted average maturity (in years)	24.25	
Weighted average remaining time to interest reset (in years)	9.92	0.00
Weighted average seasoning (in years)	5.50	
Weighted average CLTOMV	79.70%	
Weighted average CLTIMV	69.54%	
Weighted average CLTIFV	81.09%	
Weighted average OLTOMV	85.47%	

2. Redemption Type

	Aggregate Outstanding Amount	% of Total	Nr of Loanparts	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)	Weighted Average CLTOMV	% of Total Not.Amount at Closing Date
Annuity	264,866,828.51	55.62%	2,174	51.26%	3.19%	26.24	85.72%	
Interest Only	197,399,326.47	41.45%	1,929	45.48%	3.20%	21.47	71.38%	
Investments	2,094,056.31	0.44%	28	0.66%	3.57%	16.47	77.30%	
Lineair	11,839,777.92	2.49%	110	2.59%	2.68%	27.30	84.03%	
Total	476,199,989.21	100.00%	4,241	100.00%	3.19%	24.25	79.70%	

3. Outstanding Loan Amount

	Aggregate Outstanding Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)	Weighted Average CLTOMV	% of Total Not. Amount at Closing Date
<= 25,000	249,405.68	0.05%	21	0.84%	4.47%	14.13	13.59%	
25,000 - 50,000	2,750,358.78	0.58%	70	2.80%	4.09%	16.58	25.78%	
50,000 - 75,000	7,255,428.77	1.52%	111	4.44%	3.59%	18.12	40.12%	
75,000 - 100,000	19,740,081.23	4.15%	219	8.75%	3.55%	20.53	58.04%	
100,000 - 150,000	83,790,601.49	17.60%	661	26.42%	3.46%	22.36	70.94%	
150,000 - 200,000	89,265,168.31	18.75%	515	20.58%	3.49%	22.77	78.82%	
200,000 - 250,000	71,386,409.27	14.99%	318	12.71%	3.24%	23.86	81.96%	
250,000 - 300,000	71,657,629.14	15.05%	262	10.47%	3.03%	25.64	85.88%	
300,000 - 350,000	43,108,402.89	9.05%	133	5.32%	2.80%	26.80	90.28%	
350,000 - 400,000	30,796,169.25	6.47%	82	3.28%	2.81%	26.83	86.52%	
400,000 - 450,000	19,511,404.05	4.10%	46	1.84%	2.82%	26.16	88.52%	
450,000 - 500,000	13,882,252.71	2.92%	29	1.16%	2.99%	27.07	90.08%	
500,000 - 550,000	5,275,326.35	1.11%	10	0.40%	2.51%	28.54	84.80%	
550,000 - 600,000	3,415,573.05	0.72%	6	0.24%	2.52%	28.41	86.99%	
600,000 - 650,000	2,470,049.32	0.52%	4	0.16%	2.73%	27.93	84.82%	
650,000 - 700,000	1,320,290.40	0.28%	2	0.08%	1.94%	28.74	88.27%	
700,000 - 750,000	2,944,736.37	0.62%	4	0.16%	2.55%	28.77	87.13%	
750,000 - 800,000	4,634,207.73	0.97%	6	0.24%	2.44%	27.66	83.05%	
800,000 - 850,000								
850,000 - 900,000	898,771.26	0.19%	1	0.04%	1.95%	29.83	81.71%	
900,000 - 950,000	1,847,723.16	0.39%	2	0.08%	1.92%	28.21	73.35%	
950,000 - 1,000,000								
1,000,000 >								
Total	476,199,989.21	100.00%	2,502	100.00%	3.19%	24.25	79.70%	

Average	190,328
Minimum	13
Maximum	941,241

4. Origination Year

	Aggregate Outstanding Amount	% of Total	Nr of Loanparts	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)	Weighted Average CLTOMV	% of Total Not.Amount at Closing Date
< 1995								
1995 - 1996								
1996 - 1997								
1997 - 1998								
1998 - 1999	87,125.80	0.02%	1	0.02%	5.60%	10.25	45.18%	
1999 - 2000	2,081,105.87	0.44%	36	0.85%	4.24%	10.37	51.49%	
2000 - 2001	2,099,071.24	0.44%	20	0.47%	3.79%	11.45	59.58%	
2001 - 2002	475,156.73	0.10%	7	0.17%	2.76%	13.05	67.34%	
2002 - 2003	871,644.80	0.18%	15	0.35%	4.19%	15.30	65.21%	
2003 - 2004	6,578,213.55	1.38%	79	1.86%	3.72%	14.84	68.09%	
2004 - 2005	23,328,647.18	4.90%	328	7.73%	3.66%	15.79	61.30%	
2005 - 2006	28,769,776.14	6.04%	344	8.11%	3.40%	16.71	65.61%	
2006 - 2007	30,165,525.41	6.33%	309	7.29%	3.41%	17.64	65.42%	
2007 - 2008	29,485,592.74	6.19%	295	6.96%	3.57%	18.60	67.50%	
2008 - 2009	5,611,101.93	1.18%	73	1.72%	4.49%	19.45	59.48%	
2009 - 2010	1,261,717.11	0.26%	22	0.52%	3.54%	19.55	76.34%	
2010 - 2011	534,081.69	0.11%	11	0.26%	4.34%	20.15	61.25%	
2011 - 2012	215,463.78	0.05%	6	0.14%	4.29%	19.71	58.45%	
2012 - 2013								
2013 - 2014	24,590,157.24	5.16%	170	4.01%	3.99%	25.01	88.56%	
2014 - 2015	102,600,434.21	21.55%	822	19.38%	3.74%	25.43	80.97%	
2015 - 2016	41,295,308.86	8.67%	381	8.98%	2.97%	26.36	77.98%	
2016 - 2017	31,038,927.43	6.52%	223	5.26%	2.71%	27.70	87.49%	
2017 - 2018	111,735,957.09	23.46%	846	19.95%	2.53%	28.31	89.66%	
2018 >=	33,374,980.41	7.01%	253	5.97%	2.23%	29.03	89.37%	
Total	476,199,989.21	100.00%	4,241	100.00%	3.19%	24.25	79.70%	

Weighted Average	2013
Minimum	1998
Maximum	2018

5. Seasoning

From (>=) - Until (<)	Aggregate Outstanding Amount	% of Total	Nr of Loanparts	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)	Weighted Average CLTOMV	% of Total Not.Amount at Closing Date
< 1year	66,521,870.78	13.97%	504	11.88%	2.36%	28.86	90.34%	
1year - 2 years	96,210,657.60	20.20%	710	16.74%	2.54%	28.11	89.19%	
2 years - 3 years	28,586,059.50	6.00%	220	5.19%	3.03%	27.20	81.94%	
3 years - 4 years	50,913,101.16	10.69%	512	12.07%	3.05%	25.77	74.36%	
4 years - 5 years	100,172,562.77	21.04%	727	17.14%	3.94%	25.33	84.98%	
5 years - 6 years	2,231,513.43	0.47%	22	0.52%	3.72%	24.27	85.07%	
6 years - 7 years	19,500.00	0.00%	1	0.02%	5.80%	23.08	88.31%	
7 years - 8 years	241,463.78	0.05%	6	0.14%	3.78%	19.88	60.28%	
8 years - 9 years	665,550.61	0.14%	13	0.31%	4.28%	19.24	62.06%	
9 years - 10 years	2,419,403.75	0.51%	34	0.80%	4.37%	20.04	71.47%	
10 years - 11years	9,639,985.29	2.02%	111	2.62%	3.88%	18.94	63.41%	
11years - 12 years	26,567,206.40	5.58%	268	6.32%	3.60%	18.50	66.65%	
12 years - 13 years	38,914,324.39	8.17%	399	9.41%	3.41%	17.41	65.53%	
13 years - 14 years	24,790,057.68	5.21%	334	7.88%	3.33%	16.42	64.98%	
14 years - 15 years	18,189,168.17	3.82%	245	5.78%	3.84%	15.55	61.32%	
15 years - 16 years	4,575,272.46	0.96%	57	1.34%	3.55%	15.13	69.25%	
16 years - 17 years	935,965.84	0.20%	17	0.40%	3.99%	15.27	67.59%	
17 years - 18 years	790,534.00	0.17%	10	0.24%	3.26%	12.30	62.84%	
18 years - 19 years	1,941,901.14	0.41%	19	0.45%	4.08%	10.95	58.89%	
19 years - 20 years	1,873,890.46	0.39%	32	0.75%	4.16%	10.55	51.52%	
20 years - 21years								
21years - 22 years								
22 years - 23 years								
23 years - 24 years								
24 years - 25 years								
25 years - 26 years								
26 years - 27 years								
27 years - 28 years								
28 years - 29 years								
29 years - 30 years								
30 years >								
Total	476,199,989.21	100.00%	4,241	100.00%	3.19%	24.25	79.70%	

Weighted Average	6
Minimum	0
Maximum	20

6. Legal Maturity

	Aggregate Outstanding Amount	% of Total	Nr of Loanparts	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)	Weighted Average CLTOMV	% of Total Not.Amount at Closing Date
< 2015								
2015 - 2020	228,345.84	0.05%	5	0.12%	4.39%	0.86	67.69%	
2020 - 2025	511,301.36	0.11%	15	0.35%	4.52%	4.07	61.13%	
2025 - 2030	4,176,518.00	0.88%	91	2.15%	3.65%	9.68	58.62%	
2030 - 2035	35,638,705.64	7.48%	477	11.25%	3.66%	14.86	63.82%	
2035 - 2040	96,160,966.98	20.19%	1,042	24.57%	3.48%	17.92	66.10%	
2040 - 2045	120,457,883.17	25.30%	902	21.27%	3.79%	25.43	83.72%	
2045 - 2050	219,026,268.22	45.99%	1,709	40.30%	2.63%	28.25	86.49%	
2050 >=								
Total	476,199,989.21	100.00%	4,241	100.00%	3.19%	24.25	79.70%	

Weighted Average	2042
Minimum	2019
Maximum	2048

7. Remaining Tenor

	Aggregate Outstanding Amount	% of Total	Nr of Loanparts	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)	Weighted Average CLTOMV	% of Total Not.Amount at Closing Date
< 1year	172,644.32	0.04%	4	0.09%	4.05%	0.79	68.15%	
1 - 2	177,590.21	0.04%	3	0.07%	5.12%	1.54	60.65%	
2 - 3	13,958.74	0.00%	2	0.05%	3.28%	2.13	57.91%	
3 - 4	4,624.55	0.00%	1	0.02%	3.60%	3.42	91.18%	
4 - 5	223,100.70	0.05%	4	0.09%	4.13%	4.27	77.27%	
5 - 6	104,269.79	0.02%	4	0.09%	4.64%	5.76	42.57%	
6 - 7	354,538.97	0.07%	9	0.21%	3.49%	6.46	54.25%	
7 - 8	643,927.47	0.14%	18	0.42%	3.93%	7.56	60.07%	
8 - 9	276,911.57	0.06%	10	0.24%	2.70%	8.36	69.50%	
9 - 10	316,624.79	0.07%	8	0.19%	2.54%	9.30	71.31%	
10 - 11	1,997,965.18	0.42%	36	0.85%	3.78%	10.67	57.47%	
11 - 12	2,558,905.35	0.54%	40	0.94%	3.86%	11.49	58.80%	
12 - 13	3,872,892.51	0.81%	59	1.39%	3.67%	12.35	61.94%	
13 - 14	2,180,672.81	0.46%	45	1.06%	3.75%	13.44	65.91%	
14 - 15	4,759,649.44	1.00%	59	1.39%	3.36%	14.64	72.47%	
15 - 16	16,066,743.38	3.37%	199	4.69%	3.79%	15.59	62.30%	
16 - 17	24,978,043.48	5.25%	318	7.50%	3.39%	16.42	63.71%	
17 - 18	37,828,973.33	7.94%	371	8.75%	3.40%	17.46	65.44%	
18 - 19	24,402,227.84	5.12%	249	5.87%	3.52%	18.61	66.99%	
19 - 20	11,490,661.42	2.41%	133	3.14%	3.57%	19.24	68.46%	
20 - 21	4,178,338.17	0.88%	56	1.32%	4.29%	20.28	68.09%	
21 - 22	1,192,033.30	0.25%	21	0.50%	3.20%	21.52	75.47%	
22 - 23	539,867.01	0.11%	11	0.26%	3.68%	22.29	73.15%	
23 - 24	683,272.22	0.14%	8	0.19%	2.69%	23.28	95.26%	
24 - 25	2,567,476.40	0.54%	22	0.52%	3.12%	24.65	87.89%	
25 - 26	96,751,497.84	20.32%	675	15.92%	3.91%	25.40	85.72%	
26 - 27	50,700,910.96	10.65%	480	11.32%	3.09%	26.34	75.03%	
27 - 28	32,995,021.09	6.93%	261	6.15%	3.00%	27.28	81.88%	
28 - 29	84,075,510.95	17.66%	607	14.31%	2.56%	28.45	89.03%	
29 - 30	70,091,135.42	14.72%	528	12.45%	2.41%	29.28	90.37%	
> 30 years								
Total	476,199,989.21	100.00%	4,241	100.00%	3.19%	24.25	79.70%	

Weighted Average	24
Minimum	0
Maximum	30

8a. Original Loan to Original Foreclosure Value (Non NHG)

	Aggregate Outstanding Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)	Weighted Average CLTOMV	% of Total Not.Amount at Closing Date
NHG Loans	155,240,515.65	32.60%	1,067	42.65%	3.53%	24.67	80.65%	
<= 10 %	12,000.00	0.00%	1	0.04%	2.50%	16.50	6.55%	
10 % - 20 %	133,261.53	0.03%	5	0.20%	3.37%	15.62	12.29%	
20 % - 30 %	852,289.67	0.18%	14	0.56%	2.94%	19.15	20.15%	
30 % - 40 %	2,183,969.78	0.46%	34	1.36%	3.92%	16.82	26.93%	
40 % - 50 %	5,798,329.89	1.22%	65	2.60%	3.54%	18.87	35.78%	
50 % - 60 %	10,803,787.68	2.27%	90	3.60%	3.49%	18.09	44.22%	
60 % - 70 %	19,989,701.77	4.20%	132	5.28%	3.50%	18.85	54.08%	
70 % - 80 %	31,542,259.87	6.62%	195	7.79%	3.51%	17.68	61.63%	
80 % - 90 %	37,017,996.47	7.77%	182	7.27%	3.32%	20.10	71.05%	
90 % - 100 %	36,501,451.60	7.67%	136	5.44%	2.92%	24.84	77.72%	
100 % - 110 %	74,699,644.59	15.69%	253	10.11%	2.78%	27.31	86.54%	
110 % - 120 %	78,691,229.31	16.52%	237	9.47%	2.61%	28.21	96.02%	
120 % - 130 %	21,850,967.75	4.59%	89	3.56%	3.35%	22.47	94.66%	
130 % - 140 %	882,583.65	0.19%	2	0.08%	3.18%	23.80	98.35%	
140 % - 150 %								
150 % >								
Total	476,199,989.21	100.00%	2,502	100.00%	3.19%	24.25	79.70%	

8b. Original Loan to Original Foreclosure Value (NHG)

	Aggregate Outstanding Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)	Weighted Average CLTOMV	% of Total Not.Amount at Closing Date
Non NHG Loans	320,959,473.56	67.40%	1,435	57.35%	3.02%	24.05	79.23%	
<= 10 %								
10 % - 20 %	51,000.00	0.01%	1	0.04%	3.75%	17.17	15.00%	
20 % - 30 %	655,368.24	0.14%	7	0.28%	3.73%	18.94	20.68%	
30 % - 40 %	1,521,519.83	0.32%	17	0.68%	3.60%	19.11	29.18%	
40 % - 50 %	1,799,748.66	0.38%	19	0.76%	3.39%	18.52	38.09%	
50 % - 60 %	2,509,051.99	0.53%	32	1.28%	3.99%	18.96	39.46%	
60 % - 70 %	3,455,533.14	0.73%	33	1.32%	3.25%	22.33	51.38%	
70 % - 80 %	6,813,735.32	1.43%	54	2.16%	3.17%	24.12	58.01%	
80 % - 90 %	12,295,727.47	2.58%	95	3.80%	3.31%	24.59	65.85%	
90 % - 100 %	30,879,023.73	6.48%	226	9.03%	3.36%	25.03	74.32%	
100 % - 110 %	26,953,802.27	5.66%	177	7.07%	3.43%	25.60	81.47%	
110 % - 120 %	7,042,471.85	1.48%	39	1.56%	2.56%	27.07	95.21%	
120 % - 130 %	60,359,026.57	12.68%	363	14.51%	3.88%	24.70	93.87%	
130 % - 140 %	665,410.25	0.14%	3	0.12%	2.65%	21.07	93.23%	
140 % - 150 %	239,096.33	0.05%	1	0.04%	2.76%	14.81	96.02%	
150 % >								
Total	476,199,989.21	100.00%	2,502	100.00%	3.19%	24.25	79.70%	

9a. Current Loan to Original Foreclosure Value (Non NHG)

	Aggregate Outstanding Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)	Weighted Average CLTOMV	% of Total Not.Amount at Closing Date
NHG Loans	155,240,515.65	32.60%	1,067	42.65%	3.53%	24.67	80.65%	
<= 10 %	107,977.44	0.02%	10	0.40%	3.46%	15.79	6.54%	
10 % - 20 %	1,137,264.60	0.24%	29	1.16%	4.09%	16.14	14.03%	
20 % - 30 %	2,594,224.02	0.54%	41	1.64%	3.58%	16.78	22.13%	
30 % - 40 %	3,570,468.82	0.75%	40	1.60%	3.62%	18.34	30.99%	
40 % - 50 %	9,306,685.06	1.95%	86	3.44%	3.64%	17.89	39.49%	
50 % - 60 %	14,599,469.11	3.07%	103	4.12%	3.61%	18.19	48.55%	
60 % - 70 %	22,834,575.30	4.80%	139	5.56%	3.54%	18.74	57.85%	
70 % - 80 %	32,529,554.13	6.83%	178	7.11%	3.33%	18.79	66.04%	
80 % - 90 %	38,610,733.72	8.11%	172	6.87%	3.32%	21.27	74.87%	
90 % - 100 %	46,881,210.92	9.84%	156	6.24%	2.88%	25.64	81.68%	
100 % - 110 %	76,710,026.16	16.11%	258	10.31%	2.68%	27.11	89.83%	
110 % - 120 %	67,523,842.86	14.18%	210	8.39%	2.73%	27.99	98.04%	
120 % - 130 %	4,553,441.42	0.96%	13	0.52%	2.75%	27.34	103.17%	
130 % - 140 %								
140 % - 150 %								
150 % >								
Total	476,199,989.21	100.00%	2,502	100.00%	3.19%	24.25	79.70%	

9b. Current Loan to Original Foreclosure Value (NHG)

	Aggregate Outstanding Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)	Weighted Average CLTOMV	% of Total Not.Amount at Closing Date
Non NHG Loans	320,959,473.56	67.40%	1,435	57.35%	3.02%	24.05	79.23%	
<= 10 %	54,406.04	0.01%	4	0.16%	4.25%	17.07	7.52%	
10 % - 20 %	445,780.29	0.09%	10	0.40%	4.03%	18.21	13.86%	
20 % - 30 %	1,261,831.36	0.26%	17	0.68%	3.85%	18.23	22.50%	
30 % - 40 %	2,142,304.20	0.45%	24	0.96%	3.57%	19.37	32.21%	
40 % - 50 %	2,311,650.62	0.49%	26	1.04%	3.28%	18.79	40.05%	
50 % - 60 %	2,945,014.42	0.62%	27	1.08%	3.89%	20.92	48.38%	
60 % - 70 %	7,441,156.10	1.56%	64	2.56%	3.35%	23.65	55.65%	
70 % - 80 %	11,249,174.07	2.36%	85	3.40%	3.29%	24.32	64.20%	
80 % - 90 %	27,264,283.31	5.73%	203	8.11%	3.43%	24.95	73.42%	
90 % - 100 %	28,930,248.39	6.08%	190	7.59%	3.40%	25.12	80.93%	
100 % - 110 %	19,075,835.11	4.01%	112	4.48%	3.47%	24.54	90.48%	
110 % - 120 %	51,040,238.56	10.72%	300	11.99%	3.76%	25.42	95.44%	
120 % - 130 %	1,078,593.18	0.23%	5	0.20%	2.47%	26.41	97.04%	
130 % - 140 %								
140 % - 150 %								
150 % >								
Total	476,199,989.21	100.00%	2,502	100.00%	3.19%	24.25	79.70%	

10a. Current Loan to Indexed Foreclosure Value (Non NHG)

		Aggregate Outstanding Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)	Weighted Average CLTOMV	% of Total Not.Amount at Closing Date
NHG Loans		155,240,515.65	32.60%	1,067	42.65%	3.53%	24.67	80.65%	
<= 10 %		273,808.41	0.06%	16	0.64%	4.16%	14.93	8.96%	
10 % - 20 %		1,989,962.02	0.42%	43	1.72%	3.95%	15.40	19.24%	
20 % - 30 %		4,496,952.93	0.94%	60	2.40%	3.77%	16.30	30.49%	
30 % - 40 %		8,239,095.06	1.73%	73	2.92%	3.83%	17.62	40.32%	
40 % - 50 %		12,608,025.55	2.65%	100	4.00%	3.54%	17.19	48.42%	
50 % - 60 %		22,421,221.70	4.71%	135	5.40%	3.43%	19.56	56.85%	
60 % - 70 %		32,203,119.84	6.76%	167	6.67%	3.47%	19.84	64.95%	
70 % - 80 %		37,909,384.92	7.96%	172	6.87%	3.36%	21.95	74.93%	
80 % - 90 %		58,722,927.36	12.33%	215	8.59%	2.90%	24.91	82.25%	
90 % - 100 %		61,828,384.20	12.98%	203	8.11%	2.73%	26.40	89.01%	
100 % - 110 %		61,263,950.09	12.87%	193	7.71%	2.62%	27.69	95.87%	
110 % - 120 %		19,002,641.48	3.99%	58	2.32%	2.63%	28.78	99.80%	
120 % - 130 %									
130 % - 140 %									
140 % - 150 %									
150 % >									
	Total	476,199,989.21	100.00%	2,502	100.00%	3.19%	24.25	79.70%	

10b. Current Loan to Indexed Foreclosure Value (NHG)

		Aggregate Outstanding Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)	Weighted Average CLTOMV	% of Total Not.Amount at Closing Date
Non NHG Loans		320,959,473.56	67.40%	1,435	57.35%	3.02%	24.05	79.23%	
<= 10 %		54,406.04	0.01%	4	0.16%	4.25%	17.07	7.52%	
10 % - 20 %		696,841.45	0.15%	15	0.60%	4.03%	18.03	16.89%	
20 % - 30 %		1,468,760.30	0.31%	19	0.76%	3.65%	19.32	24.94%	
30 % - 40 %		2,989,806.59	0.63%	34	1.36%	3.62%	18.94	36.28%	
40 % - 50 %		4,321,022.11	0.91%	42	1.68%	3.54%	21.83	47.70%	
50 % - 60 %		10,785,619.60	2.26%	87	3.48%	3.48%	24.18	59.39%	
60 % - 70 %		26,841,612.36	5.64%	203	8.11%	3.39%	24.86	71.00%	
70 % - 80 %		36,171,561.72	7.60%	240	9.59%	3.53%	25.07	81.98%	
80 % - 90 %		35,645,892.39	7.49%	216	8.63%	3.70%	24.90	90.51%	
90 % - 100 %		26,053,683.78	5.47%	151	6.04%	3.74%	24.79	93.71%	
100 % - 110 %		7,523,826.16	1.58%	42	1.68%	2.89%	25.34	95.03%	
110 % - 120 %		2,687,483.15	0.56%	14	0.56%	2.44%	28.74	97.91%	
120 % - 130 %									
130 % - 140 %									
140 % - 150 %									
150 % >									
	Total	476,199,989.21	100.00%	2,502	100.00%	3.19%	24.25	79.70%	

11a. Original Loan to Original Market Value (Non NHG)

	Aggregate Outstanding Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)	Weighted Average CLTOMV	% of Total Not.Amount at Closing Date
NHG Loans	155,240,515.65	32.60%	1,067	42.65%	3.53%	24.67	80.65%	
<= 10 %	12,000.00	0.00%	1	0.04%	2.50%	16.50	6.55%	
10 % - 20 %	492,940.83	0.10%	11	0.44%	3.02%	16.10	14.68%	
20 % - 30 %	1,413,467.43	0.30%	23	0.92%	3.42%	18.35	23.69%	
30 % - 40 %	5,017,596.13	1.05%	61	2.44%	3.58%	19.42	32.75%	
40 % - 50 %	9,824,498.10	2.06%	92	3.68%	3.55%	18.11	41.97%	
50 % - 60 %	18,874,745.07	3.96%	132	5.28%	3.56%	18.90	52.11%	
60 % - 70 %	35,573,563.68	7.47%	207	8.27%	3.48%	18.61	61.05%	
70 % - 80 %	48,135,508.78	10.11%	219	8.75%	3.10%	21.92	72.11%	
80 % - 90 %	53,471,906.11	11.23%	201	8.03%	2.99%	24.71	81.44%	
90 % - 100 %	89,438,839.86	18.78%	285	11.39%	2.65%	27.81	90.77%	
100 % - 110 %	50,685,543.67	10.64%	164	6.55%	2.90%	27.24	97.60%	
110 % - 120 %	8,018,863.90	1.68%	39	1.56%	3.21%	18.07	95.63%	
120 % - 130 %								
130 % - 140 %								
140 % - 150 %								
150 % >								
Total	476,199,989.21	100.00%	2,502	100.00%	3.19%	24.25	79.70%	

11b. Original Loan to Original Market Value (NHG)

	Aggregate Outstanding Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)	Weighted Average CLTOMV	% of Total Not.Amount at Closing Date
Non NHG Loans	320,959,473.56	67.40%	1,435	57.35%	3.02%	24.05	79.23%	
<= 10 %								
10 % - 20 %	131,056.01	0.03%	2	0.08%	3.69%	16.76	15.82%	
20 % - 30 %	1,018,595.42	0.21%	11	0.44%	3.85%	18.49	22.36%	
30 % - 40 %	1,906,626.36	0.40%	21	0.84%	3.58%	18.77	33.27%	
40 % - 50 %	3,090,798.98	0.65%	39	1.56%	3.74%	18.88	38.51%	
50 % - 60 %	4,630,336.62	0.97%	41	1.64%	3.25%	22.90	51.69%	
60 % - 70 %	7,918,681.91	1.66%	66	2.64%	3.22%	24.52	58.58%	
70 % - 80 %	21,622,671.89	4.54%	162	6.47%	3.30%	24.96	69.32%	
80 % - 90 %	32,547,187.59	6.83%	229	9.15%	3.41%	25.16	77.13%	
90 % - 100 %	17,830,258.47	3.74%	109	4.36%	3.29%	25.81	85.68%	
100 % - 110 %	61,840,935.06	12.99%	371	14.83%	3.81%	25.04	94.03%	
110 % - 120 %	2,464,271.01	0.52%	15	0.60%	3.30%	17.44	95.46%	
120 % - 130 %	239,096.33	0.05%	1	0.04%	2.76%	14.81	96.02%	
130 % - 140 %								
140 % - 150 %								
150 % >								
Total	476,199,989.21	100.00%	2,502	100.00%	3.19%	24.25	79.70%	

12a. Current Loan to Original Market Value (Non NHG)

	Aggregate Outstanding Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)	Weighted Average CLTOMV	% of Total Not.Amount at Closing Date
NHG Loans	155,240,515.65	32.60%	1,067	42.65%	3.53%	24.67	80.65%	
<= 10 %	236,395.73	0.05%	14	0.56%	4.24%	15.73	8.05%	
10 % - 20 %	1,764,630.03	0.37%	38	1.52%	3.65%	16.29	16.12%	
20 % - 30 %	3,289,117.41	0.69%	44	1.76%	3.65%	17.37	25.35%	
30 % - 40 %	7,374,035.08	1.55%	73	2.92%	3.54%	18.91	35.95%	
40 % - 50 %	13,929,153.20	2.93%	111	4.44%	3.62%	17.99	45.30%	
50 % - 60 %	22,782,401.35	4.78%	145	5.80%	3.51%	19.07	55.87%	
60 % - 70 %	38,909,045.38	8.17%	201	8.03%	3.44%	19.54	65.16%	
70 % - 80 %	48,426,856.34	10.17%	203	8.11%	3.05%	22.46	75.94%	
80 % - 90 %	73,937,386.63	15.53%	258	10.31%	2.91%	25.97	85.43%	
90 % - 100 %	96,592,299.35	20.28%	305	12.19%	2.66%	27.61	95.49%	
100 % - 110 %	13,718,153.06	2.88%	43	1.72%	2.81%	26.85	101.69%	
110 % - 120 %								
120 % - 130 %								
130 % - 140 %								
140 % - 150 %								
150 % >								
Total	476,199,989.21	100.00%	2,502	100.00%	3.19%	24.25	79.70%	

12b. Current Loan to Original Market Value (NHG)

	Aggregate Outstanding Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)	Weighted Average CLTOMV	% of Total Not.Amount at Closing Date
Non NHG Loans	320,959,473.56	67.40%	1,435	57.35%	3.02%	24.05	79.23%	
<= 10 %	54,406.04	0.01%	4	0.16%	4.25%	17.07	7.52%	
10 % - 20 %	553,413.52	0.12%	12	0.48%	4.03%	17.96	14.95%	
20 % - 30 %	1,726,578.06	0.36%	22	0.88%	3.83%	18.58	24.55%	
30 % - 40 %	2,771,511.10	0.58%	30	1.20%	3.51%	19.04	35.36%	
40 % - 50 %	3,313,292.79	0.70%	34	1.36%	3.75%	20.10	45.49%	
50 % - 60 %	9,104,663.95	1.91%	76	3.04%	3.33%	23.74	55.71%	
60 % - 70 %	13,975,344.28	2.93%	106	4.24%	3.30%	24.44	65.64%	
70 % - 80 %	34,567,074.53	7.26%	251	10.03%	3.41%	25.20	75.31%	
80 % - 90 %	26,676,694.01	5.60%	165	6.59%	3.39%	25.11	84.28%	
90 % - 100 %	60,664,114.12	12.74%	358	14.31%	3.75%	25.17	94.90%	
100 % - 110 %	1,833,423.25	0.39%	9	0.36%	2.70%	22.46	102.21%	
110 % - 120 %								
120 % - 130 %								
130 % - 140 %								
140 % - 150 %								
150 % >								
Total	476,199,989.21	100.00%	2,502	100.00%	3.19%	24.25	79.70%	

13a. Current Loan to Indexed Market Value (Non NHG)

		Aggregate Outstanding Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)	Weighted Average CLTOMV	% of Total Not.Amount at Closing Date
NHG Loans		155,240,515.65	32.60%	1,067	42.65%	3.53%	24.67	80.65%	
<= 10 %		610,231.19	0.13%	23	0.92%	3.81%	15.29	13.36%	
10 % - 20 %		2,646,489.33	0.56%	53	2.12%	3.77%	15.52	21.93%	
20 % - 30 %		6,974,607.09	1.46%	76	3.04%	3.87%	16.83	35.50%	
30 % - 40 %		11,194,479.98	2.35%	94	3.76%	3.58%	18.09	42.23%	
40 % - 50 %		21,873,373.27	4.59%	145	5.80%	3.45%	19.10	54.74%	
50 % - 60 %		34,399,271.02	7.22%	177	7.07%	3.50%	20.06	64.01%	
60 % - 70 %		49,648,796.85	10.43%	212	8.47%	3.30%	22.70	74.49%	
70 % - 80 %		73,602,598.54	15.46%	270	10.79%	2.79%	25.09	84.19%	
80 % - 90 %		73,860,865.68	15.51%	238	9.51%	2.73%	26.92	92.19%	
90 % - 100 %		46,148,760.61	9.69%	147	5.88%	2.65%	27.67	98.39%	
100 % - 110 %									
110 % - 120 %									
120 % - 130 %									
130 % - 140 %									
140 % - 150 %									
150 % >									
	Total	476,199,989.21	100.00%	2,502	100.00%	3.19%	24.25	79.70%	

13b. Current Loan to Indexed Market Value (NHG)

		Aggregate Outstanding Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)	Weighted Average CLTOMV	% of Total Not.Amount at Closing Date
Non NHG Loans		320,959,473.56	67.40%	1,435	57.35%	3.02%	24.05	79.23%	
<= 10 %		54,406.04	0.01%	4	0.16%	4.25%	17.07	7.52%	
10 % - 20 %		1,154,742.41	0.24%	21	0.84%	3.88%	17.84	19.40%	
20 % - 30 %		2,433,199.74	0.51%	29	1.16%	3.62%	20.07	30.42%	
30 % - 40 %		4,149,300.74	0.87%	42	1.68%	3.57%	20.07	42.94%	
40 % - 50 %		10,403,137.68	2.18%	89	3.56%	3.46%	23.97	56.75%	
50 % - 60 %		30,821,111.54	6.47%	232	9.27%	3.42%	24.99	70.87%	
60 % - 70 %		38,993,472.94	8.19%	257	10.27%	3.50%	25.09	82.45%	
70 % - 80 %		51,112,226.58	10.73%	303	12.11%	3.77%	24.95	92.49%	
80 % - 90 %		8,922,823.43	1.87%	50	2.00%	3.44%	23.59	92.72%	
90 % - 100 %		7,196,094.55	1.51%	40	1.60%	2.60%	26.70	97.42%	
100 % - 110 %									
110 % - 120 %									
120 % - 130 %									
130 % - 140 %									
140 % - 150 %									
150 % >									
	Total	476,199,989.21	100.00%	2,502	100.00%	3.19%	24.25	79.70%	

14. Loanpart Coupon (interest rate bucket)

		Aggregate Outstanding Amount	% of Total	Nr of Loanparts	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)	Weighted Average CLTOMV	% of Total Not.Amount at Closing Date
<= 0.50 %									
0.50 % - 1.00 %									
1.00 % - 1.50 %									
1.50 % - 2.00 %		27,069,266.44	5.68%	218	5.14%	1.92%	27.37	81.36%	
2.00 % - 2.50 %		87,562,604.26	18.39%	843	19.88%	2.24%	25.05	81.76%	
2.50 % - 3.00 %		127,900,836.05	26.86%	1,076	25.37%	2.77%	25.49	83.75%	
3.00 % - 3.50 %		76,397,035.75	16.04%	700	16.51%	3.23%	24.76	77.36%	
3.50 % - 4.00 %		67,464,572.95	14.17%	543	12.80%	3.79%	23.97	82.24%	
4.00 % - 4.50 %		54,784,963.24	11.50%	453	10.68%	4.28%	22.41	77.74%	
4.50 % - 5.00 %		19,295,161.74	4.05%	197	4.65%	4.78%	18.07	63.22%	
5.00 % - 5.50 %		11,034,378.93	2.32%	146	3.44%	5.24%	17.09	61.22%	
5.50 % - 6.00 %		3,613,628.42	0.76%	48	1.13%	5.71%	16.65	56.45%	
6.00 % - 6.50 %		1,077,541.43	0.23%	17	0.40%	6.22%	16.92	57.33%	
6.50 % - 7.00 %									
7.00 % >									
	Total	476,199,989.21	100.00%	4,241	100.00%	3.19%	24.25	79.70%	

Weighted Average	3.19%
Minimum	1.59%
Maximum	6.40%

15. Remaining Interest Rate Fixed Period

	Aggregate Outstanding Amount	% of Total	Nr of Loanparts	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)	Weighted Average CLTOMV	% of Total Not.Amount at Closing Date
< 12	21,328,192.20	4.48%	280	6.60%	3.42%	18.11	68.31%	
12 - 24	6,641,785.22	1.39%	86	2.03%	3.43%	17.28	63.48%	
24 - 36	6,212,343.84	1.30%	78	1.84%	3.85%	16.40	63.32%	
36 - 48	6,255,686.84	1.31%	83	1.96%	3.29%	17.71	64.25%	
48 - 60	7,661,989.12	1.61%	83	1.96%	3.47%	19.99	76.17%	
60 - 72	64,930,587.21	13.64%	512	12.07%	3.82%	24.77	83.15%	
72 - 84	51,629,928.76	10.84%	550	12.97%	3.11%	24.09	72.40%	
84 - 96	40,229,258.89	8.45%	406	9.57%	3.37%	19.41	68.62%	
96 - 108	54,582,141.96	11.46%	511	12.05%	2.59%	23.84	80.42%	
108 - 120	62,346,834.67	13.09%	505	11.91%	2.37%	26.99	85.60%	
120 - 132	4,582,227.87	0.96%	35	0.83%	4.39%	23.21	83.76%	
132 - 144	885,126.65	0.19%	11	0.26%	3.43%	18.74	61.17%	
144 - 156	2,260,360.12	0.47%	24	0.57%	3.18%	22.40	68.06%	
156 - 168	2,409,042.47	0.51%	37	0.87%	3.39%	21.74	78.47%	
168 - 180	3,302,017.74	0.69%	34	0.80%	2.67%	24.52	79.42%	
180 - 192	31,213,976.17	6.55%	211	4.98%	4.36%	24.75	84.15%	
192 - 204	7,707,384.19	1.62%	70	1.65%	3.44%	25.50	72.86%	
204 - 216	21,173,066.25	4.45%	155	3.65%	3.33%	25.77	79.22%	
216 - 228	62,261,182.78	13.07%	429	10.12%	2.86%	27.67	88.16%	
228 - 240	18,450,515.60	3.87%	138	3.25%	3.14%	27.93	90.08%	
240 - 252	14,000.00	0.00%	1	0.02%	6.35%	15.50	23.44%	
252 - 264								
264 - 276								
276 - 288								
288 - 300								
300 - 312								
312 - 324								
324 - 336								
336 - 348								
348 - 360	122,340.66	0.03%	2	0.05%	2.77%	29.25	76.46%	
360 >=								
Total	476,199,989.21	100.00%	4,241	100.00%	3.19%	24.25	79.70%	

Weighted Average	119
Minimum	0
Maximum	350

16. Interest Payment Type

	Aggregate Outstanding Amount	% of Total	Nr of Loanparts	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)	Weighted Average CLTOMV	% of Total Not.Amount at Closing Date
Fixed	472,541,095.36	99.23%	4,191	98.82%	3.19%	24.31	79.83%	
Floating	3,658,893.85	0.77%	50	1.18%	2.35%	16.81	62.57%	
Total	476,199,989.21	100.00%	4,241	100.00%	3.19%	24.25	79.70%	

17. Property Description

		Aggregate Outstanding Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)	Weighted Average CLTOMV	% of Total Not.Amount at Closing Date
House		408,966,577.52	85.88%	2,091	83.57%	3.18%	24.12	79.59%	
Appartment		67,233,411.69	14.12%	411	16.43%	3.20%	25.02	80.36%	
	Total	476,199,989.21	100.00%	2,502	100.00%	3.19%	24.25	79.70%	

18. Geographical Distribution (by Province)

		Aggregate Outstanding Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)	Weighted Average CLTOMV	% of Total Not.Amount at Closing Date
Drenthe		10,159,245.46	2.13%	65	2.60%	3.09%	21.56	77.02%	
Flevoland		10,507,617.02	2.21%	72	2.88%	3.33%	21.87	78.66%	
Friesland		12,712,722.06	2.67%	82	3.28%	3.23%	24.27	81.67%	
Gelderland		55,074,076.35	11.57%	283	11.31%	3.16%	24.45	79.04%	
Groningen		7,391,616.08	1.55%	51	2.04%	3.35%	23.65	80.27%	
Limburg		20,269,396.93	4.26%	126	5.04%	3.25%	23.72	80.09%	
Noord-Brabant		71,733,066.07	15.06%	366	14.63%	3.23%	23.63	76.50%	
Noord-Holland		92,415,241.94	19.41%	455	18.19%	3.17%	24.51	78.92%	
Overijssel		26,320,207.55	5.53%	146	5.84%	3.23%	22.87	79.22%	
Utrecht		50,476,355.79	10.60%	229	9.15%	3.12%	24.87	81.53%	
Zeeland		5,624,702.89	1.18%	33	1.32%	3.29%	23.08	78.91%	
Zuid-Holland		113,515,741.07	23.84%	594	23.74%	3.17%	25.02	82.01%	
	Total	476,199,989.21	100.00%	2,502	100.00%	3.19%	24.25	79.70%	

19. Geographical Distribution (by economic region)

	Aggregate Outstanding Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)	Weighted Average CLTOMV	% of Total Not.Amount at Closing Date
NL111 - Oost-Groningen	1,220,289.60	0.26%	9	0.36%	3.64%	21.19	74.74%	
NL113 - Overig Groningen	6,171,326.48	1.30%	42	1.68%	3.29%	24.14	81.37%	
NL121 - Noord-Friesland	6,863,059.96	1.44%	48	1.92%	3.25%	23.64	80.01%	
NL122 - Zuidwest-Friesland	1,378,899.20	0.29%	7	0.28%	2.80%	25.45	80.28%	
NL123 - Zuidoost-Friesland	4,470,762.90	0.94%	27	1.08%	3.33%	24.89	84.63%	
NL131 - Noord-Drenthe	4,356,313.50	0.91%	24	0.96%	3.06%	22.22	78.64%	
NL132 - Zuidoost-Drenthe	3,614,396.99	0.76%	25	1.00%	2.90%	21.06	76.97%	
NL133 - Zuidwest-Drenthe	2,188,534.97	0.46%	16	0.64%	3.44%	21.09	73.89%	
NL211 - Noord-Overijssel	9,329,354.74	1.96%	49	1.96%	3.29%	22.36	78.28%	
NL212 - Zuidwest-Overijssel	2,837,335.90	0.60%	17	0.68%	3.06%	25.81	82.77%	
NL213 - Twente	14,153,516.91	2.97%	80	3.20%	3.22%	22.61	79.12%	
NL221 - Veluwe	22,455,444.68	4.72%	116	4.64%	3.01%	24.62	77.59%	
NL224 - Zuidwest-Gelderland	6,465,748.02	1.36%	33	1.32%	3.35%	23.56	77.97%	
NL225 - Achterhoek	11,523,770.36	2.42%	55	2.20%	3.16%	24.80	80.12%	
NL226 - Arnhem/Nijmegen	14,629,113.29	3.07%	79	3.16%	3.30%	24.32	80.90%	
NL230 - Flevoland	10,507,617.02	2.21%	72	2.88%	3.33%	21.87	78.66%	
NL310 - Utrecht	50,634,911.08	10.63%	230	9.19%	3.12%	24.87	81.56%	
NL321 - Kop van Noord-Holland	12,027,498.46	2.53%	78	3.12%	3.50%	22.94	75.46%	
NL322 - Alkmaar en omgeving	8,894,383.86	1.87%	47	1.88%	2.97%	24.03	78.51%	
NL323 - IJmond	6,430,139.09	1.35%	32	1.28%	3.44%	24.42	83.63%	
NL324 - Agglomeratie Haarlem	7,079,080.54	1.49%	36	1.44%	3.43%	22.88	72.61%	
NL325 - Zaanstreek	4,590,655.20	0.96%	22	0.88%	2.95%	25.02	80.94%	
NL326 - Groot-Amsterdam	46,071,731.51	9.67%	207	8.27%	3.09%	24.95	80.10%	
NL327 - Het Gooi en Vechtstreek	7,589,654.19	1.59%	34	1.36%	2.98%	25.95	77.40%	
NL331 - Agglomeratie Leiden en Bollenstreek	14,790,130.72	3.11%	66	2.64%	3.08%	26.53	84.45%	
NL332 - Agglomeratie 's-Gravenhage	27,503,264.30	5.78%	139	5.56%	3.17%	25.16	81.40%	
NL333 - Delft en Westland	5,811,398.93	1.22%	36	1.44%	3.52%	24.87	80.56%	
NL334 - Oost-Zuid-Holland	8,824,118.83	1.85%	50	2.00%	3.25%	23.58	78.15%	
NL335 - Groot-Rijnmond	45,968,030.99	9.65%	243	9.71%	3.09%	25.00	83.07%	
NL336 - Zuidoost-Zuid-Holland	10,192,341.10	2.14%	58	2.32%	3.33%	24.03	80.15%	
NL341 - Zeeuwsch-Vlaanderen	874,709.21	0.18%	7	0.28%	3.43%	19.94	63.90%	
NL342 - Overig Zeeland	4,749,993.68	1.00%	26	1.04%	3.26%	23.66	81.68%	
NL411 - West-Noord-Brabant	19,230,256.74	4.04%	104	4.16%	3.32%	23.54	75.76%	
NL412 - Midden-Noord-Brabant	11,631,979.85	2.44%	66	2.64%	3.29%	23.82	75.47%	
NL413 - Noordoost-Noord-Brabant	18,841,517.54	3.96%	90	3.60%	3.25%	23.49	77.08%	
NL414 - Zuidoost-Noord-Brabant	22,029,311.94	4.63%	106	4.24%	3.11%	23.73	77.20%	
NL421 - Noord-Limburg	7,148,404.76	1.50%	40	1.60%	3.00%	24.32	79.60%	
NL422 - Midden-Limburg	3,945,464.28	0.83%	22	0.88%	3.29%	24.22	79.57%	
NL423 - Zuid-Limburg	9,175,527.89	1.93%	64	2.56%	3.44%	23.05	80.69%	
Total	476,199,989.21	100.00%	2,502	100.00%	3.19%	24.25	79.70%	

20. Construction Deposits (as % of prin. bal.)

		Aggregate Outstanding Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)	Weighted Average CLTOMV	% of Total Not.Amount at Closing Date
	0%	464,296,666.03	97.50%	2,461	98.36%	3.20%	24.14	79.36%	
0 % - 10 %		8,784,308.12	1.84%	31	1.24%	2.65%	28.02	94.02%	
10 % - 20 %		1,303,287.42	0.27%	4	0.16%	2.67%	28.24	92.97%	
20 % - 30 %		173,502.91	0.04%	1	0.04%	2.29%	29.83	60.24%	
30 % - 40 %									
40 % - 50 %		1,168,941.46	0.25%	3	0.12%	2.41%	29.36	92.22%	
50 % - 60 %									
60 % - 70 %		325,783.27	0.07%	1	0.04%	2.53%	29.83	97.86%	
70 % - 80 %									
80 % - 90 %									
90 % >		147,500.00	0.03%	1	0.04%	1.89%	29.67	51.58%	
	Total	476,199,989.21	100.00%	2,502	100.00%	3.19%	24.25	79.70%	

Weighted Average	0%
Minimum	0%
Maximum	100%

21. Occupancy

		Aggregate Outstanding Amount	% of Total	Nr of Loanparts	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)	Weighted Average CLTOMV	% of Total Not.Amount at Closing Date
Owner Occupied		476,199,989.21	100.00%	4,241	100.00%	3.19%	24.25	79.70%	
	Total	476,199,989.21	100.00%	4,241	100.00%	3.19%	24.25	79.70%	

22. Employment Status Borrower

		Aggregate Outstanding Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)	Weighted Average CLTOMV	% of Total Not.Amount at Closing Date
Employed		434,214,440.17	91.18%	2,375	94.92%	3.25%	23.92	78.84%	
Self Employed		41,985,549.04	8.82%	127	5.08%	2.53%	27.59	88.54%	
	Total	476,199,989.21	100.00%	2,502	100.00%	3.19%	24.25	79.70%	

23. Loan to Income

	Aggregate Outstanding Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)	Weighted Average CLTOMV	% of Total Not.Amount at Closing Date
<= 0.5	224,477.27	0.05%	17	0.68%	4.77%	14.63	10.27%	
0.5 - 1.0	1,870,281.71	0.39%	42	1.68%	3.83%	16.61	23.95%	
1.0 - 1.5	5,133,415.99	1.08%	72	2.88%	3.51%	18.56	40.20%	
1.5 - 2.0	11,085,141.47	2.33%	107	4.28%	3.59%	20.33	51.25%	
2.0 - 2.5	26,068,803.92	5.47%	188	7.51%	3.45%	21.90	64.45%	
2.5 - 3.0	49,878,627.91	10.47%	278	11.11%	3.48%	23.69	77.27%	
3.0 - 3.5	79,916,699.19	16.78%	413	16.51%	3.22%	24.20	80.48%	
3.5 - 4.0	96,878,040.05	20.34%	469	18.75%	3.22%	24.75	82.94%	
4.0 - 4.5	122,019,928.88	25.62%	601	24.02%	3.13%	25.15	84.10%	
4.5 - 5.0	56,852,101.84	11.94%	233	9.31%	2.85%	24.78	83.31%	
5.0 - 5.5	26,272,470.98	5.52%	82	3.28%	2.81%	23.96	81.08%	
5.5 - 6.0								
6.0 - 6.5								
6.5 - 7.0								
7.0 >								
Unknown								
Total	476,199,989.21	100.00%	2,502	100.00%	3.19%	24.25	79.70%	

Weighted Average	3.7
Minimum	0
Maximum	5.5

24. Debt Service to Income

	Aggregate Outstanding Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)	Weighted Average CLTOMV	% of Total Not.Amount at Closing Date
<= 5 %	6,644,835.82	1.40%	111	4.44%	2.92%	17.58	32.55%	
5 % - 10 %	41,541,627.97	8.72%	316	12.63%	2.85%	20.47	60.34%	
10 % - 15 %	116,914,893.24	24.55%	577	23.06%	2.92%	23.44	76.15%	
15 % - 20 %	150,279,566.75	31.56%	654	26.14%	3.12%	25.52	84.79%	
20 % - 25 %	107,889,285.38	22.66%	541	21.62%	3.36%	25.16	84.65%	
25 % - 30 %	51,700,181.36	10.86%	297	11.87%	3.87%	24.48	84.33%	
30 % - 35 %	1,169,933.72	0.25%	5	0.20%	4.92%	19.30	74.81%	
35 % - 40 %								
40 % - 45 %	59,664.97	0.01%	1	0.04%	4.20%	21.44	40.45%	
45 % - 50 %								
50 % - 55 %								
55 % - 60 %								
60 % - 65 %								
65 % - 70 %								
70 % >								
Unknown								
Total	476,199,989.21	100.00%	2,502	100.00%	3.19%	24.25	79.70%	

Weighted Average	17%
Minimum	0%
Maximum	42%

25. Loanpart Payment Frequency

		Aggregate Outstanding Amount	% of Total	Nr of Loanparts	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)	Weighted Average CLTOMV	% of Total Not.Amount at Closing Date
Monthly		476,199,989.21	100.00%	4,241	100.00%	3.19%	24.25	79.70%	
	Total	476,199,989.21	100.00%	4,241	100.00%	3.19%	24.25	79.70%	

26. Guarantee Type

		Aggregate Outstanding Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)	Weighted Average CLTOMV	% of Total Not.Amount at Closing Date
NHG		155,240,515.65	32.60%	1,067	42.65%	3.53%	24.67	80.65%	
Non-NHG		320,959,473.56	67.40%	1,435	57.35%	3.02%	24.05	79.23%	
	Total	476,199,989.21	100.00%	2,502	100.00%	3.19%	24.25	79.70%	

27. Originator

		Aggregate Outstanding Amount	% of Total	Nr of Loanparts	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)	Weighted Average CLTOMV	% of Total Not.Amount at Closing Date
NIBC Direct Hypotheken B.V.		343,909,691.53	72.22%	2,672	63.00%	3.04%	27.01	85.41%	
Hypinvest BV		132,290,297.68	27.78%	1,569	37.00%	3.57%	17.07	64.85%	
	Total	476,199,989.21	100.00%	4,241	100.00%	3.19%	24.25	79.70%	

28. Servicer

		Aggregate Outstanding Amount	% of Total	Nr of Loanparts	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)	Weighted Average CLTOMV	% of Total Not.Amount at Closing Date
Stater		476,199,989.21	100.00%	4,241	100.00%	3.19%	24.25	79.70%	
	Total	476,199,989.21	100.00%	4,241	100.00%	3.19%	24.25	79.70%	

29. Capital Insurance Policy Provider

		Aggregate Outstanding Amount	% of Total	Nr of Loanparts	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)	Weighted Average CLTOMV	% of Total Not.Amount at Closing Date
No policy attached		476,199,989.21	100.00%	4,241	100.00%	3.19%	24.25	79.70%	
	Total	476,199,989.21	100.00%	4,241	100.00%	3.19%	24.25	79.70%	

6.2 DESCRIPTION OF MORTGAGE LOANS

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

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

The Mortgage Loans in the mortgage loan portfolio (other than the New Mortgage Receivables) have been selected according to the criteria set forth in the Mortgage Receivables Purchase Agreement on or before the Closing Date. All of the loans forming part of the mortgage loan portfolio were originated by the Originators between 1 January 1992 and 1 August 2018.

For a description of the representations and warranties given by the Sellers reference is made to Section 7.2 (*Representations and Warranties*).

Based on the numerical information set out above, but subject to what is set out in section 2 (*Risk Factors*), the Mortgage Loans have characteristics that demonstrate the capacity to produce funds to service any payments due and payable under the Notes.

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

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

6.3 ORIGINATION AND SERVICING

Origination
The Mortgage Loans involved are originated by the Sellers (all 100 per cent. subsidiaries of NIBC) including their legal predecessors.

On 1 November 2015, the following entities merged into Hypinvest (one of the Sellers):

(i) 1895 Hypotheken B.V.;
(ii) Amstelstaete Hypotheken B.V.;
(iii) ATRIOS Hypotheekfonds B.V.;
(iv) Capitalum Hypotheken B.V.;
(v) Estate Hypotheken B.V.;
(vi) Huizen Hypotheken B.V.;
(vii) Muzen Hypotheken B.V.;
(viii) Nieuwegein Hypotheken B.V.;
(ix) Royal Residentie Hypotheken B.V.;
(x) Seyst Hypotheken B.V.; and
(xi) Zwaluw Hypotheken B.V.

On 1 June 2018, NIBC Direct Hypotheek B.V. merged into NIBC Direct Hypotheken B.V.

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

All Mortgage Loans are administered and serviced by NIBC in its capacity as Servicer. The Servicer will provide mortgage payment transactions and other services to and on behalf of the Issuer on a day-to-day basis in relation to the Mortgage Receivables. The duties of the Servicer include the collection of payments of principal, interest and other amounts in respect of the Mortgage Receivables. In accordance with the Servicing Agreement, the Servicer will initially appoint Stater Nederland B.V. as its sub-agent to carry out (part of) the activities described above for all Mortgage Loans.

Mortgage Loans
Underwriting rules

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

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

With regards to mortgage loans with an NHG Guarantee, the underwriting rules comply with all requirements set down by Stichting WEW (for more information see section 6.5 (*NHG Guarantee Programme*)).

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

Origination process

The Sellers originate and distribute Mortgage Loans via partnerships. The origination process is outsourced to business partners that operate within a mandate given by NIBC. They use loan application forms that are submitted to an intermediary, such as a mortgage adviser or insurance agent. The information on the loan application is entered into the international Stater Mortgage System ("**iSHS**"). iSHS automatically collects credit information about the applicant from BKR and *Stichting Fraudebestrijding Hypotheken* ("**SFH**"). BKR provides positive and negative credit information on all borrowers with credit histories at financial institutions in the Netherlands. Stater Nederland B.V., or the respective business partner, reviews loan applications which have been submitted by the intermediary. The actual loan acceptance and the final check of the loan files take place at Stater Nederland B.V., or are made by the business partner, depending on the mandate.

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

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

Processing activities
The processing activities at Stater Nederland B.V. are separated into three (3) key activities, carried out by the following departments:

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

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

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

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

Collections

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

Special Servicing Mortgages

Introduction
NIBC has outsourced the primary servicing of mortgage loans to Stater Nederland B.V. whereas the special servicing is managed by NIBC itself (since April 2006 for Stater Nederland B.V. serviced loans). For this purpose, NIBC has established a separate business unit of B.V. NIBC Mortgage Backed Assets trading under the name of "NIBC Bijzonder Beheer", with two multidisciplinary teams of 12 specialised credit managers. The main goal is to enhance efficiency and create the optimal process for arrears and foreclosures. NIBC Bijzonder Beheer uses its experience in arrears and foreclosure management to enhance the origination process and the underwriting criteria in order to prevent arrears and losses. The department distinguishes two phases in special servicing.

Phase 1: First line contact (Client Contact Centre)
NIBC uses Salesforce software to manage the arrears management process. This system interfaces on a daily basis with the Stater Nederland B.V. software so that NIBC Bijzonder Beheer has all relevant and up-to-date loan information to be able to effectively manage arrears. The borrowers are categorised in different groups depending whether they are in arrears for the first time or whether they have been in arrears before. If the borrower faces a life time event (divorce, unemployment, disability, or passing away), he is directly allocated to one of the teams of certified credit managers. On the first business day after a missed payment, a reminder letter is sent out to the borrower.

For borrowers who are in arrears for the first time and don't pay or respond within the time set out in the reminder letter, a first phone call is made five (5) business days after the first reminder letter. A second reminder letter, of which the tone is more severe, is sent out in the second week of arrears. Every borrower receives four reminder letters and four phone calls within the first month after the missed payment as long as the missed payment has not been paid.

For borrowers who are for the second (or more) time in arrears, the tone of the first letter is more severe, and the client is directly asked to contact NIBC. The NIBC Bijzonder Beheer team will immediately begin an inquiry of the client's situation.

Reminder letters are automatically generated by Salesforce and sent out to borrowers by NIBC Bijzonder Beheer. NIBC Bijzonder Beheer collects detailed information regarding the borrower's current job status, current income, property, and monthly expenditure in order to be able to attach earnings, to distress properties, or to make a payment arrangement.

Phase 2: Specialised teams of credit managers
If the arrears situation continues into the second month after the missed payment, the borrower is allocated to the specialised team of credit managers. This team may take several actions, depending on, *inter alia*, the severity of the client's situation:

- Attach a borrower's earnings and/or possessions with the help of a bailiff;
- Make unannounced borrower house visits; and
- Engage a specialized third party to draw up an extensive recovery information report.

In certain special circumstances (e.g. unemployment, inability to work, divorce and/or decease, double housing expenses, fraud cases), borrowers can be advanced to the specialised team of credit managers before the end of the second month, because this team possesses the expertise, knowledge, and ability to act in the best possible way to reduce the arrears or the potential losses. For clients with structural financial difficulties, the team will assess, in consultation with the client, the possibilities to continue the loan by settling a custom payment arrangement or modification of the loan conditions. For example, by lowering interest rates, cancellation of (a part of) the arrears, or by restructuring of the loan;

The specialised team of credit managers manages all loans of clients of which the property has to be sold, and that will result in a loss in the near future. In such cases, NIBC shall, on behalf of the Issuer, sell the mortgaged property via private sale or an auction if the borrower fails to fulfil its obligations. The Issuer has, as a first ranking mortgagee, a title to enforcement (*executoriale titel*), which means that it does not have to obtain permission from court prior to foreclosure on the mortgaged property. If the proceeds from the sale (auction) of the mortgaged property do not fully cover the issuer's claims, NIBC, on behalf of the Issuer, may sell any pledged associated life insurance or investment deposit. However, Dutch law requires that, before a lender may foreclose on a borrower's mortgaged property, the borrower must be notified in writing that it is in default. The borrower must also be given reasonable time to comply with the lender's claims. If it is not possible to levy an attachment on the borrower's salary due to insufficient actual income, NIBC Bijzonder Beheer sends the borrower a power of attorney. A signed power of attorney allows NIBC to start a private sale on behalf of the borrower. Ultimately, NIBC will call the loan and organise a public auction to recover the outstanding debt and arrears amount.

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

In respect of NHG Mortgage Loan Receivables, if NIBC, on behalf of the Issuer, wants to sell the mortgaged property it is required to ask permission from Stichting WEW in accordance with the terms and conditions of the NHG Guarantee Programme and to notify the parties directly involved, including the borrower as well as the person owning the asset (in the event that these are not the same party). The notification should include the amount outstanding and the expenses incurred to date, as well as the name of the civil law notary responsible for the foreclosure sale.

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

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

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

In general, it takes NIBC Bijzonder beheer approximately two months to foreclose on a property once the decision to foreclose has been made. Throughout the foreclosure process, NIBC Bijzonder beheer works in accordance with the terms and conditions of the NHG Guarantee Programme, the instructions of NIBC, guidelines set down by Dutch law, the Code of Conduct of Mortgage Loans, the BKR and the Mortgage Credit Directive as of 2016.

6.4 DUTCH RESIDENTIAL MORTGAGE MARKET

This section 6.4 is derived from the overview which is available at the website of the Dutch Securitisation Association (https://www.dutchsecuritisation.nl/dutch-mortgage-and-consumer-loan-markets) regarding the Dutch residential mortgage market over the period until August 2018. For the avoidance of doubt, this website does not form part of this Prospectus. The Issuer, NIBC and the Sellers believe that this source is reliable and as far as the Issuer, NIBC and Sellers are aware and are able to ascertain from the Dutch Securitisation Association, no facts have been omitted which would render the information in this section 6.4 inaccurate or misleading.

Dutch residential mortgage market

The Dutch residential mortgage debt stock is relatively sizeable, especially when compared to other European countries. Since the 1990s, the mortgage debt stock of Dutch households has grown considerably, mainly on the back of mortgage lending on the basis of two incomes in a household, the introduction of tax-efficient product structures such as mortgage loans with deferred principal repayment vehicles and interest-only mortgage loans, financial deregulation and increased competition among originators. Moreover, Loan-to-Value (LTV) ratios have been relatively high, as the Dutch tax system implicitly discouraged amortisation, due to the tax deductibility of mortgage interest payments. After a brief decline between 2012 and 2015, mortgage debt reached a new peak of EUR 698 billion in Q1 2018[1]. This represents a rise of EUR 9.2 billion compared to Q1 2017.

Tax system

The Dutch tax system plays an important role in the Dutch mortgage market, as it allows for almost full deductibility of mortgage interest payments from taxable income. This tax system has been around for a very long time, but financial innovation has resulted in a greater leverage of this tax benefit. From the 1990s onwards until 2001, this tax deductibility was unconditional. In 2001 and 2004, several conditions have been introduced to limit the usage of tax deductibility, including a restriction of tax deductibility to (mortgage interest payments for) the borrower's primary residence and a limited duration of the deductibility of 30 years.

A further reform of the tax system was enforced on 1 January 2013. Since this date, all new mortgage loans have to be repaid in full in 30 years, at least on an annuity basis, in order to be eligible for tax relief (linear mortgage loans are also eligible). The tax benefits on mortgage loans, of which the underlying property was bought before 1 January 2013, have remained unchanged and are grandfathered, even in case of refinancing and relocation. As such, new mortgage originations still include older loan products, including interest-only. However, any additional loan on top of the borrower's grandfathered product structure, has to meet the mandatory full redemption standards to allow for tax deductibility.

Another reform imposed in 2013 to reduce the tax deductibility is to lower the maximum deduction percentage. This used to be equal to the highest marginal tax bracket (2018: 51.95%), but since 2013 the maximum deduction is lowered by 0.5% per annum (2018: 49.5%). On 18 September 2018 the Dutch government presented the 2019 Dutch Tax Bill (*Belastingplan 2019*) to the Dutch Lower House. One of the proposed tax measures is to accelerate the decrease of the maximum interest deductibility for mortgage loans from 2020 with 3% annually down to 37.05% in 2023. If enacted, the mortgage interest deductibility rate will be decreased more quickly as from 2020 onwards.

There are several housing-related taxes which are linked to the fiscal appraisal value ("**WOZ**") of the house, both imposed on national and local level. Moreover, a transfer tax (stamp duty) of 2% is applied when a house changes hands. Although these taxes partially unwind the benefits of tax deductibility of interest payments, and several restrictions to this tax deductibility have been applied, tax relief on mortgage loans is still substantial.

Loan products

The Dutch residential mortgage market is characterised by a wide range of mortgage loan products. In general, three types of mortgage loans can be distinguished.

1 Statistics Netherlands, household data.

Firstly, the “classical” Dutch mortgage product is an annuity loan. Annuity mortgage loans used to be the norm until the beginning of the 1990s, but they have returned as the most popular mortgage product in recent years. Reason for this return of annuity mortgage loans is the tax system. Since 2013, tax deductibility of interest payments on new loans is conditional on full amortisation of the loan within 30 years, for which only (full) annuity and linear mortgage loans qualify.

Secondly, there is a relatively big presence of interest-only mortgage loans in the Dutch market. Full interest-only mortgage loans were popular in the late nineties and in the early years of this century. Mortgage loans including an interest-only loan part were the norm until 2013, and even today, grandfathering of older tax benefits still results in a considerable amount of interest-only loan origination.

Thirdly, there is still a big stock of mortgage products including deferred principal repayment vehicles. In such products, capital is accumulated over time (in a tax-friendly manner) in a linked account in order to take care of a bullet principal repayment at maturity of the loan. The principal repayment vehicle is either an insurance product or a bank savings account. The latter structure has been allowed from 2008 and was very popular until 2013. Mortgage loan products with insurance-linked principal repayment vehicles used to be the norm prior to 2008 and there is a wide range of products present in this segment of the market. Most structures combine a life-insurance product with capital accumulation and can be relatively complex. In general, however, the capital accumulation either occurs through a savings-like product (with guaranteed returns), or an investment-based product (with non-guaranteed returns).

A typical Dutch mortgage loan consists of multiple loan parts, e.g. a bank savings loan part that is combined with an interest-only loan part. Newer mortgage loans, in particular those for first-time buyers after 2013, are full annuity and often consists of only one loan part. Nonetheless, tax grandfathering of older mortgage loan product structures still results in the origination of mortgage loans including multiple loan parts.

Most interest rates on Dutch mortgage loans are not fixed for the full duration of the loan, but they are typically fixed for a period between 5 and 15 years. Rate term fixings differ by vintage, however. More recently, there has been a bias to longer term fixings (10-20 years). Most borrowers remain subject to interest rate risk, but compared to countries in which floating rates are the norm, Dutch mortgage borrowers are relatively well-insulated against interest rate fluctuations.

Underwriting criteria
Most of the Dutch underwriting standards follow from special underwriting legislation (*Tijdelijke regeling hypothecair krediet*). This law has been present since 2013 and strictly regulates maximum LTV and Loan-to-Income (LTI) ratios. The current maximum LTV is 100% (including all costs such as stamp duties). The new government coalition has indicated not to lower the maximum LTV further beyond 2018. LTI limits are set according to a fixed table including references to gross income of the borrower and mortgage interest rates. This table is updated annually by the consumer budget advisory organisation “NIBUD” and ensures that income after (gross) mortgage servicing costs is still sufficient to cover normal costs of living.

Prior to the underwriting legislation, the underwriting criteria followed from the Code of Conduct for Mortgage Lending, which is the industry standard. This code, which limits the risk of over crediting, has been tightened several times in the past decade. The 2007 version of the code included a major overhaul and resulted in tighter lending standards, but deviation in this version was still possible under the "explain" clause[2]. In 2011, another revised and stricter version of the Code of Conduct was introduced. Moreover, adherence to the “comply” option was increasingly mandated by the Financial Markets Authority (*AFM*). Although the Code of Conduct is currently largely overruled by the underwriting legislation, it is still in force. The major restriction it currently regulates, in addition to the criteria in the underwriting legislation, is the cap of interest-only loan parts to 50% of the market value of the residence. This cap was introduced in 2011 and is in principle applicable to all new mortgage contracts. A mortgage lender may however diverge from the cap limitation if certain conditions have been met.

Recent developments in the Dutch housing market
The Dutch housing market has shown clear signs of recovery since the second half of 2013. Important

2 Under the “explain” clause it is in exceptional cases possible to deviate from the loan-to-income and loan-to-value rules set forth in the Code of Conduct.

factors are among others the economic recovery, high consumer confidence and low mortgage rates.

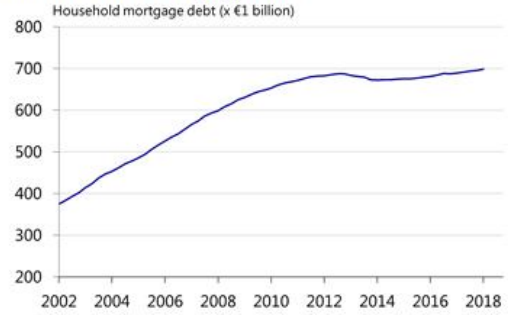
Existing house prices (PBK-index) in Q2 2018 rose by 1.8% compared to Q1 2018. Compared to Q2 2012 this increase was 8.8%. A new peak was reached this quarter. The average house average price level was 1.3% above the previous peak of 2008. The continued increase in house prices is mostly caused by an increasing supply scarcity in the market. Indeed, existing homes sales are trending down. Compared to a year ago, sales numbers declined by 9.3% in Q2 2018. The twelve month total of existing home sales now stands at 232,614, which is still well above pre-crisis levels.

Forced sales

Compared to other jurisdictions, performance statistics of Dutch mortgage loans show relatively low arrears and loss rates[3]. The most important reason for default is relationship termination, although the increase in unemployment following the economic downturn in recent years is increasingly also a reason for payment problems. The ultimate attempt to loss recovery to a defaulted mortgage borrower is the forced sale of the underlying property.

For a long time, mortgage servicers opted to perform this forced sale by an auction process. The advantage of this auction process is the high speed of execution, but the drawback is a discount on the selling price. In Q2 2018, only 201 sales were forced, which is 0.46% of the total number of sales in this period.

Chart 1: Total mortgage debt



Source: Statistics Netherlands, Rabobank

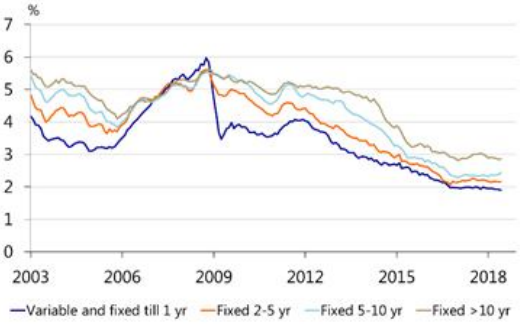
Chart 2: Sales and prices

Source: Statistics Netherlands, Rabobank

Chart 3: Price index development

Source: Statistics Netherlands, Rabobank

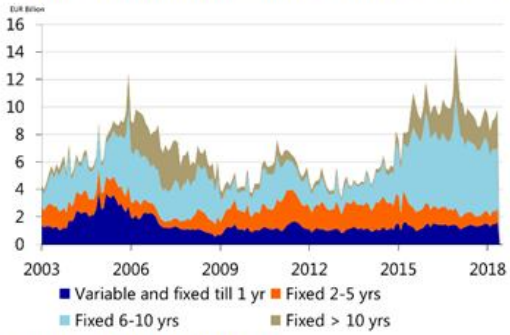
Chart 4: Interest rate on new mortgage loans



Source: Dutch Central Bank

3 Comparison of S&P RMBS index delinquency data.

Chart 5: New mortgage loans by interest type



Source: Dutch Central Bank

Chart 6: Confidence

Source: Delft University OTB, Rabobank

6.5 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 home ownership among the lower income groups.

Since 1 January 1995 Stichting WEW (a central privatised entity) is responsible for the administration and granting of the NHG Guarantee (*Nationale Hypotheek Garantie*), under a set of uniform rules. The NHG Guarantee covers the outstanding principal, accrued unpaid interest and disposal costs. Irrespective of scheduled repayments or prepayments made on the mortgage loans, the NHG Guarantee is reduced on a monthly basis by an amount which is equal to principal repayment part of the monthly instalment as if the mortgage loan were to be repaid on a thirty year annuity basis. In respect of each mortgage loan, the NHG Guarantee decreases further to take account of scheduled repayments and prepayments under such mortgage loan. Also, amounts paid as savings or investment premium under savings insurance policies or life insurance policies, respectively, are deducted from the amount outstanding on such mortgage loans for purposes of the calculation of the amount guaranteed under the NHG Guarantee (see section 2 (*Risk Factors*) above).

Financing of Stichting WEW

Stichting WEW finances itself, *inter alia*, by a one-off charge to the borrower of 1.00 per cent. of the principal amount of the mortgage loan. Besides this, the scheme provides for liquidity support to Stichting WEW from the Dutch State and the participating municipalities. Should Stichting WEW not be able to meet its obligations under guarantees issued, (i) in respect of all loans issued before 1 January 2011, the Dutch State will provide subordinated interest free loans to Stichting WEW of up to 50 per cent. of the difference between Stichting WEW's own funds and a pre-determined average loss level and municipalities participating in the NHG Guarantee scheme will provide subordinated interest free loans to Stichting WEW of the other 50 per cent. of the difference and (ii) in respect of all loans issued on or after 1 January 2011, the Dutch State will provide subordinated interest free loans to Stichting WEW of up to 100 per cent. of the difference between Stichting WEW's own funds and a pre-determined average loss level. Both the keep well agreement between the Dutch State and Stichting WEW and the keep well agreements between the municipalities and Stichting WEW contain general 'keep well' undertakings of the Dutch State and the municipalities to enable Stichting WEW at all times (including in the event of bankruptcy (*faillissement*), suspension of payments (*surseance van betaling*) or liquidation (*ontbinding*) of Stichting 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 and the binding offer (*bindend aanbod*) meet the NHG Conditions. If the application qualifies, various reports are produced that are used in the processing of the application, including the form that will eventually be signed by the relevant lender and forwarded to the NHG to register the mortgage and establish the guarantee. Stichting 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 NHG Conditions, 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 Stichting WEW.

The NHG has specific rules for the level of credit risk that will be accepted. The credit worthiness of the applicant must be verified with the BKR, a central credit agency used by all financial institutions in the Netherlands. All financial commitments over the past five (5) years that prospective borrowers have entered into with financial institutions are recorded in this register. In addition, as of 1 January 2008 the applicant itself must be verified with the Foundation for Fraud Prevention of Mortgages (*Stichting Fraudepreventie*

Hypotheken, "**SFH**"). If the applicant has been recorded in the SFH system, no NHG Guarantee will be granted.

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

Claiming under the NHG Guarantees

When a borrower is in arrears with payments under the mortgage loan for a period of three (3) months, a lender informs Stichting WEW. When the borrower is in arrears Stichting 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, Stichting 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. In case of a private sale permission of Stichting WEW is required unless the property is sold for an amount higher than 95 per cent. of the market value. In case of a forced private sale and an execution sale permission of Stichting WEW is in any case required.

Within one month after receipt of the proceeds of the private or forced sale of the mortgaged property, the lender must make a formal request to Stichting WEW for payment, using standard forms, which request must include all of the necessary documents relating to the original mortgage loan and the NHG Guarantee. After receipt of the claim and all the supporting details, Stichting WEW must make payment within two (2) months. If the payment is late, provided the request is valid, Stichting 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 Stichting WEW because of the lender's culpable negligence (*verwijtbaar handelen of nalaten*), the lender must act vis-à-vis the borrower as if Stichting WEW were still guaranteeing the repayment of the mortgage loan during the remainder of the term of the mortgage loan. In addition, the lender is not entitled to recover any amounts due under the mortgage loan from the borrower in such case. This is only different if the borrower did not act in good faith with respect to his inability to repay the mortgage loan and has failed to render his full cooperation in trying to have the mortgage loan repaid to the lender.

Additional loans

Furthermore, on 1 July 2005 provisions were added to the NHG Conditions pursuant to which a borrower who is or threatens to be in arrears with payments under the existing mortgage loan may have the right to request Stichting 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 moneys 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 of the borrower.

Main NHG underwriting criteria (*Normen*) as of 17 June 2018 (*Normen 2018-2*)
With respect to a borrower, the underwriting criteria include, but are not limited to, the following:

- The lender has to perform a BKR check. Only under certain circumstances are registrations allowed.

- As a valid source of income the following qualifies: indefinite contract of employment, temporary contract of employment if the employer states that the employee will be provided an indefinite contract of employment in case of equal performance of the employee and equal business circumstances, a three (3) year history of income statements for workers with flexible working arrangements or during a probational period (*proeftijd*), or three (3) year (annual) statements for self-employed.

- The maximum loan based on the income of the borrowers is based on the '*financieringslast acceptatiecriteria*' 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 term of less than ten (10) years on the basis of a percentage determined and published by the AFM, or, if higher or if the mortgage loan is redeemed within the fixed interest term of less than ten (10) years, on the basis of the binding offer.

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

- As of 1 January 2013, for new borrowers the redemption types are limited to Annuity Mortgage Loans and Linear Mortgage Loans with a maximal term of thirty (30) years.

- As of 1 January 2018, the maximum amount of the mortgage loan is dependent on the average house price level in the Netherlands (based on the information available from the Land Registry (*Kadaster*)) multiplied with the statutory loan to value, which is 100 per cent. if there are no energy saving improvements and 106 per cent. if there are energy saving improvements. As a consequence, there are two maximum loan amounts:

    (i) EUR 265,000 for loans without energy saving improvements; and

    (ii) EUR 280,900 for loans with energy saving improvements.

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 and (iii) an amount up to 6 per cent. of the amount under (i) plus (ii). In case an existing property can be bought without paying transfer taxes (*vrij op naam*), the purchase amount under (i) is multiplied by 97 per cent.

- For the purchase of new-build properties, the maximum loan amount is broadly based on the purchase price or amount contracted for, increased with a number of costs such as the cost of construction interest or loss of interest during the construction period (to the extent not already included in the purchase or construction cost.

7. PORTFOLIO DOCUMENTATION

7.1 PURCHASE, REPURCHASE AND SALE

Under the Mortgage Receivables Purchase Agreement, the Issuer will purchase the Relevant Mortgage Receivables and will accept the assignment of the Relevant Mortgage Receivables and, to the extent legally possible, the Beneficiary Rights relating thereto from each Seller by means of a registered Deed of Assignment and Pledge as a result of which legal title to the Relevant Mortgage Receivables and the Beneficiary Rights relating thereto is transferred from the relevant Seller to the Issuer. The Sellers have undertaken to offer the initial Deed of Assignment for registration promptly, but in any event within one business day of the assignment of the Mortgage Loans to the Issuer.

The assignment of the Relevant Mortgage Receivables and the Beneficiary Rights relating thereto from each Seller to the Issuer will not be notified to the Borrowers and the relevant Insurance Companies, except upon the occurrence of any Assignment Notification Event. Until such notification the Borrowers will only be entitled to validly pay (*bevrijdend betalen*) to the relevant Seller. The assignment of the Beneficiary Rights will only be completed upon notification to the relevant Insurance Company and it is uncertain whether this assignment will be effective (also after notification).The Issuer will be entitled to all principal proceeds in respect of the Mortgage Receivables and to all interest (including Prepayment Penalties and penalty interest) in respect of the Mortgage Receivables as of the Cut-Off Date and in respect of the New Mortgage Receivables from (and including) the first day of the month immediately preceding the relevant Notes Payment Date on which such New Mortgage Receivables are purchased. Each Seller will pay or procure that the Collection Foundation will pay to the Issuer on each Mortgage Collection Payment Date all proceeds received during the immediately preceding Mortgage Calculation Period in respect of the Relevant Mortgage Receivables.

Purchase Price
The purchase price for the Mortgage Receivables shall consist of (i) the Initial Purchase Price which shall be payable on (a) the Closing Date or (b), in case of New Mortgage Receivables, on the last day of the immediately preceding Notes Payment Date and (ii) the Deferred Purchase Price. The Initial Purchase Price in respect of the Mortgage Receivables purchased on the Closing Date will be EUR 476,199,989.21, which is equal to the aggregate Outstanding Principal Amount of the Mortgage Receivables at the Cut-Off Date. The Deferred Purchase Price shall be equal to the sum of all Deferred Purchase Price Instalments.

Mandatory Repurchase
In the Mortgage Receivables Purchase Agreement, each of the Sellers has undertaken to repurchase a Relevant Mortgage Receivable and accept reassignment of such Relevant Mortgage Receivable and the Beneficiary Rights relating thereto on the Mortgage Collection Payment Date immediately following:

(i) the expiration of the relevant remedy period (as provided for in the Mortgage Receivables Purchase Agreement), if any of the representations and warranties given by such Seller in respect of the Relevant Mortgage Loans and the Relevant Mortgage Receivables, including the representation and warranty that the Relevant Mortgage Loans or, as the case may be, the Relevant Mortgage Receivables meet certain mortgage loan criteria, are untrue or incorrect in any material respect; or
(ii) the date on which the relevant Seller agrees with a Borrower to grant a Further Advance; or
(iii) the date on which the relevant Seller obtains or acquires an Other Claim in respect of such Relevant Mortgage Receivable vis-à-vis the relevant Borrower; or
(iv) the date on which the relevant Seller agrees with a Borrower to a Mortgage Loan Amendment, provided that if such amendment is made as part of the enforcement procedures to be complied with upon a default by the Borrower under the Relevant Mortgage Loan or is otherwise made as part of a restructuring or renegotiation of such Relevant Mortgage Loan due to a deterioration of the credit quality of the Borrower of such Relevant Mortgage Loan such Seller shall not repurchase such Relevant Mortgage Receivable; or
(v) in respect of an NHG Mortgage Loan Receivable the date on which it appears that (i) a Relevant Mortgage Loan or the relevant loan part no longer has the benefit of an NHG Guarantee as a result of an action taken or omitted to be taken by the Servicer, provided that the relevant Seller shall not be obliged to repurchase such Relevant Mortgage Receivable if following a claim made under an NHG Guarantee Stichting WEW does not pay the full amount of such Relevant Mortgage

Receivable due to (a) the difference in the redemption structure of the such Relevant Mortgage Loan or the relevant loan part and the redemption structure set forth in the NHG Conditions or (b) the higher than expected foreclosure costs which are outside the control of the Servicer or (c) the occurrence of any other events not due to misconduct by or negligence of the Servicer and/or (ii) a Seller, while it is entitled to make a claim under the NHG guarantee relating to such Relevant Mortgage Loan or the relevant loan part, will not make such claim.

The purchase price for the Relevant Mortgage Receivable in such event will be equal to the Outstanding Principal Amount, together with due and overdue interest and reasonable costs, if any (including any costs incurred by the Issuer in effecting and completing such purchase and assignment), accrued up to (but excluding) the date of repurchase and reassignment of the Relevant Mortgage Receivable. In the event of a repurchase set forth in item (v) above, the purchase price shall be equal to the amount that was not reimbursed under the relevant NHG Guarantee as a result of an action taken or omitted to be taken by the relevant Seller or the Servicer.

Sellers Clean-Up Call Option
On each Notes Payment Date the Sellers, acting jointly, have the right to exercise the Sellers Clean-Up Call Option. The Issuer has undertaken in the Mortgage Receivables Purchase Agreement to sell and assign the Relevant Mortgage Receivables to the relevant Seller(s), or any third party appointed by the relevant Seller at its sole discretion, in case the Sellers, acting jointly, exercise the Sellers Clean-Up Call Option. The proceeds of such sale shall be applied by the Issuer towards redemption of the Notes subject to and in accordance with the Conditions, including for the avoidance of doubt, Condition 9(b).

Regulatory Call Option
On each Notes Payment Date the Issuer has the option to exercise, upon the direction of NIBC, the Regulatory Call Option upon the occurrence of a Regulatory Change in which case the Sellers have an obligation to repurchase the Relevant Mortgage Receivables.

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

Sale of Mortgage Receivables
Under the terms of the Trust Deed, the Issuer will have the right and shall use its reasonable efforts to sell and assign all but not some of the Mortgage Receivables on each Optional Redemption Date, provided that the Issuer shall apply the proceeds of such sale to redeem the Notes, other than the Class E Notes, in full, subject to, in respect of the Subordinated Notes, Condition 9(b) (see Condition 6(e)). The Subordinated Notes can be redeemed at an amount less than their Principal Amount Outstanding (see Conditions 6 and 9(b) and under '*Repurchase*' below). If the Issuer decides to offer for sale the Mortgage Receivables, it will first offer such Mortgage Receivables to the relevant Sellers and if any Seller does not accept such offer within fourteen (14) Business Days after receipt of such notice, the Issuer shall instruct the Issuer Administrator to select within thirty (30) calendar days one or more third parties to make a binding offer to purchase the Mortgage Receivables.

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

Tax Call Option
Under the terms of the Trust Deed, the Issuer will also have the right to sell and assign all, but not some, of the Mortgage Receivables, if the Issuer exercises its option to redeem the Notes for tax reasons or regulatory reasons in accordance with Condition 6. If the Issuer decides to offer for sale the Mortgage Receivables on an Optional Redemption Date or for tax reasons or for regulatory reasons as described above, the Issuer will first offer such Mortgage Receivables to the relevant Sellers.

Repurchase Price
The purchase price of each Mortgage Receivable in the event of each Sellers Clean-Up Call Option, Clean-Up Call Option, the Regulatory Call Option, the Tax Call Option or optional redemption of the Notes, shall be at least equal to the relevant Outstanding Principal Amount at such time, increased with interest due but not paid and reasonable costs relating thereto, except that with respect to Defaulted Mortgage Loans, the purchase price shall be at least the lesser of (i) the sum of (a) an amount equal to the Indexed Foreclosure Value of such Mortgaged Assets and (b) the value of all other collateral and (c) with respect to NHG Mortgage Loan Receivables, the amount claimable under the NHG Guarantee and (ii) the sum of the Outstanding Principal Amount of the Mortgage Receivable, together with accrued interest due but unpaid, if any, and any other amounts due under the Mortgage Receivable. In the event of a repurchase set forth in item (v) above under the paragraph '*Mandatory Repurchase*', the purchase price shall be equal to the amount that was not reimbursed under the relevant NHG Guarantee as a result of an action taken or omitted to be taken by the relevant Seller or the Servicer.

Assignment Notification Events
If – *inter alia* –:

(a) a default is made by any of the Sellers in the payment on the due date of any amount due and payable by the relevant Seller under the Mortgage Receivables Purchase Agreement or under any Transaction Document to which it is a party and such failure is not remedied within ten (10) Business Days after having knowledge of such default by the relevant Seller or notice thereof has been given by the Issuer or the Security Trustee to the relevant Seller; or

(b) any of the Sellers fails duly to perform or comply with any of its obligations under the Mortgage Receivables Purchase Agreement or under any of the Transaction Documents (as defined in Condition 3) to which it is a party and such failure, if capable of being remedied, is not remedied within twenty (20) Business Days after having knowledge of such default by the relevant Seller or notice thereof has been given by the Issuer or the Security Trustee to the relevant Seller; or

(c) any representation, warranty or statement made or deemed to be made by any of the Sellers in the Mortgage Receivables Purchase Agreement, other than those relating to the Relevant Mortgage Loans and the Relevant Mortgage Receivables, or under any of the Transaction Documents to which the relevant Seller is a party or in any notice or other document, certificate or statement delivered by it pursuant thereto proves to have been, and continues to be after the expiration of any applicable grace period provided for in any Transaction Document, untrue or incorrect in any material respect; or

(d) any Seller has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for its entering into emergency regulations (*noodregeling*) as referred to in Chapter 3 of Wft, or suspension of payments (*surseance van betaling*), or for bankruptcy (*faillissement*) or for any analogous insolvency proceedings under any applicable law or for the appointment of a receiver or a similar officer of it or of any or all of its assets; or

(e) any of the Sellers has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for its dissolution (*ontbinding*) (other than as a result of a merger) and liquidation (*vereffening*) or being converted in a foreign entity (*conversie*) or legal demerger (*juridische splitsing*) or its assets are placed under administration (*onder bewind gesteld*); or

(f) any of the Sellers has given materially incorrect information or not given material information which was essential for the Issuer and the Security Trustee in connection with the entering into of the Mortgage Receivables Purchase Agreement and/or any of the other Transaction Documents; or

(g) the indirect shareholding interest of NIBC in any of the Sellers falls at any time below 51 per cent., unless the Security Trustee has received Credit Rating Agency Confirmation; or

(h) the Collection Foundation has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for its entering into suspension of

payments or for bankruptcy or for any analogous insolvency proceedings under any applicable law or for the appointment of a receiver or a similar officer of it; or

(i) a Pledge Notification Event has occurred,

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

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

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

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

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

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

Set-off by Borrowers

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

7.2 REPRESENTATIONS AND WARRANTIES

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

(a) each of the Relevant Mortgage Receivables and each of the Beneficiary Rights relating thereto is duly and validly existing and is not subject to annulment or dissolution as a result of circumstances which have occurred prior to or on the Closing Date or, in the case of New Mortgage Receivables, the relevant Notes Payment Date;

(b) the relevant Seller has full right and title (*titel*) to the Relevant Mortgage Receivables and the Beneficiary Rights relating thereto and it has power of disposition (*is beschikkingsbevoegd*) to sell and assign the Relevant Mortgage Receivables and to assign the Beneficiary Rights relating thereto and no restrictions on the sale and assignment of the Relevant Mortgage Receivables and the assignment of the Beneficiary Rights relating thereto are in effect and the Relevant Mortgage Receivables and the Beneficiary Rights relating thereto are capable of being assigned or pledged;

(c) the relevant Seller has not been notified and is not aware of anything affecting its title to the Relevant Mortgage Receivables and the Beneficiary Rights relating thereto;

(d) the Relevant Mortgage Receivables and the Beneficiary Rights relating thereto are free and clear of any encumbrances and attachments (*beslagen*) and no option rights to acquire the Relevant Mortgage Receivables and the Beneficiary Rights relating thereto have been granted by it in favour of any third party with regard to the Relevant Mortgage Receivables and the Beneficiary Rights relating thereto nor are otherwise in a condition that can be foreseen to adversely affect the enforceability of the true sale or assignment or transfer with the same legal effect;

(e) each Relevant Mortgage Receivable is secured by a first ranking or first and sequentially lower ranking mortgage right (*hypotheekrecht*) on a Mortgaged Asset used for a residential purpose in the Netherlands and is governed by Dutch law and each Mortgage Loan is originated in the Netherlands and governed by Dutch law;

(f) the Mortgage Conditions do not violate any applicable laws, rules or regulations;

(g) each mortgage deed used by (i) any of the Originators in respect of a Relevant Mortgage Loan originated after 1 January 1999 contains provisions that, in case of assignment of a Relevant Mortgage Receivable to a third party, the Mortgage or right of pledge will partially follow, *pro rata*, the Mortgage Receivable if it is assigned to a third party, and (ii) in respect of Relevant Mortgage Loans originated by any of the Originators before 1 January 1999 does not contain any specific wording to the extent that the mortgage right or right of pledge will or will not follow the Mortgage Receivable if it is assigned to a third party;

(h) each Mortgaged Asset concerned was valued (i) by an independent qualified valuer, or (ii) in the case the valuation of the Relevant Mortgage Loans was based on an assessment by the Netherlands tax authorities on the basis of the WOZ the Original Foreclosure Value did not exceed 90 per cent. of such valuation by the Netherlands tax authorities. Valuations by an independent qualified valuer are not older than twelve months prior to the date of the mortgage application by the Borrower. In certain cases, newly built Mortgaged Assets are exempted from valuation requirements. No revaluation of the Mortgaged Assets has been made for the purpose of the securitisation transaction described in this Prospectus;

(i) each Relevant Mortgage Receivable and each Mortgage and Borrower Pledge, if any, securing such receivable constitute legal, valid, binding and enforceable contractual obligations of the relevant Borrower vis-à-vis the relevant Seller with full recourse to the Borrower;

(j) all Mortgages and Borrower Pledges in respect of each Relevant Mortgage Receivable (i) constitute valid mortgage rights (*hypotheekrechten*) and rights of pledge (*pandrechten*) respectively on the

Mortgaged Assets and the assets which are the subject of the Borrower Pledge respectively and, to the extent relating to the Mortgages, are entered into the appropriate public register (*Dienst van het Kadaster en de Openbare Registers*), and (ii) were vested for a principal sum which is at least equal to the Outstanding Principal Amount of the Relevant Mortgage Loan when originated, increased with interest, penalties, costs and any insurance premium paid by the relevant Originator on behalf of the Borrower, up to an amount equal to at least 30 per cent. of such Outstanding Principal Amount since 2002, therefore in total up to a maximum amount at least equal to 130 per cent. of the Outstanding Principal Amount of the Relevant Mortgage Receivable;

(k) the maximum Outstanding Principal Amount of each Mortgage Loan, or all Mortgage Loans secured on the same Mortgaged Asset, as the case may be, originated from 1 August 2011 did not at origination exceed 106 per cent. (or such lower percentage as required by law or regulation) of the Original Market Value of the relevant Mortgaged Assets, which Outstanding Principal Amount may, where applicable, be supplemented by the transfer tax payable under the Dutch Legal Transactions (Taxation) Act (*Wet op belastingen van rechtsverkeer*) upon its creation;

(l) each of the Relevant Mortgage Loans has been granted, and each of the Mortgages and Borrower Pledges has been vested, subject to the general terms and conditions and in the forms of mortgage deeds attached to the Mortgage Receivables Purchase Agreement;

(m) each of the Relevant Mortgage Loans and each of the Insurance Policies offered by it has been granted in accordance with all applicable legal requirements prevailing at the time of origination in all material respects, including the applicable consumer protection legislation to the extent that failure to comply would have a material adverse effect on the enforceability or collectability of such Relevant Mortgage Loan, and with the Code of Conduct on Mortgage Loans (*Gedragscode Hypothecaire Financieringen*) and the relevant Originators' standard underwriting criteria and procedures, including borrower income requirements, prevailing at that time and these underwriting criteria and procedures are in a form as may reasonably be expected from a lender of Dutch residential mortgages;

(n) each of the Relevant Mortgage Loans has been granted by the relevant Seller pursuant to (i) its usual procedures in respect of the underwriting of loans, which are no less stringent than those applied by the relevant Seller at the time of origination to similar loans that are not securitised, (ii) within the scope of its normal credit activity and (iii) has been serviced in accordance with its normal servicing procedure, each prevailing at the time of origination or, as applicable, from time to time in respect of servicing;

(o) none of the Mortgage Loans is subject to a termination or rescission procedure initiated by the relevant Borrower or any other proceedings in or before any court, arbitrator or other body responsible for the settlement of legal disputes;

(p) with respect to Investment Mortgage Loans, the relevant investments held in the name of the relevant Borrower have been validly pledged to the relevant Seller and the securities are purchased on behalf of the relevant Borrower by:

(i) an investment firm (*beleggingsonderneming*) in the meaning ascribed thereto in the Wft, being either a broker (*bemiddelaar*) or an asset manager (*vermogensbeheerder*), which is by law obliged to administer the securities in the name of the relevant Borrower in accordance with the Wge, through a bank (see the next paragraph) or through a separate depositary vehicle (*bewaarinstelling*); or

(ii) a bank, which is by law obliged to administer the securities through a separate depositary vehicle or in accordance with the Wge;

(q) each of the Life Mortgage Loans has the benefit of a valid right of pledge on the rights under a Life Insurance Policy and either (i) the relevant Seller has been validly appointed as beneficiary (*begunstigde*) under such Life Insurance Policies upon the terms of such Life Mortgage Loans and the relevant Life Insurance Policies, which has been notified to the relevant Insurance Companies,

or (ii) the relevant Insurance Company is irrevocably authorised to apply the insurance proceeds in satisfaction of such Life Mortgage Receivable;

(r) each receivable under a mortgage loan (*hypothecaire lening*) which is secured by the same Mortgage is sold and assigned to the Issuer pursuant to the Mortgage Receivables Purchase Agreement;

(s) each Relevant Mortgage Loan constitutes the entire mortgage loan granted to the relevant Borrower and not merely one or more Loan Parts (*leningdelen*);

(t) on the Cut-Off Date or, in the case of New Mortgage Loans, the first day of the month immediately preceding the month wherein the Issuer purchases such New Mortgage Loans, no Borrower is in breach of any of its payment obligation in respect of such Relevant Mortgage Loan and to the best knowledge of the relevant Seller, other than with respect to such payments, no Borrower is in material breach of any other obligation owed in respect of such Relevant Mortgage Loan, Mortgage and Borrower Pledge, if applicable;

(u) with respect to the Relevant Mortgage Receivables secured by a mortgage right on a long lease (*erfpacht*), the Relevant Mortgage Loan (a) has a maturity that is equal to or shorter than the term of the long lease and/or, if the maturity date of the Relevant Mortgage Loan falls after the maturity date of the long lease, the acceptance conditions used by the relevant Seller provide that certain provisions should be met and (b) becomes due if the long lease terminates for whatever reason;

(v) it is a requirement under the Mortgage Conditions that each of the Mortgaged Assets had, at the time the Relevant Mortgage Loan was advanced, the benefit of a building insurance (*opstalverzekering*) for the full reinstatement value (*herbouwwaarde*);

(w) the Mortgage Conditions applicable to the Relevant Mortgage Loans provide that all payments by the Borrowers should be made without any deduction or set-off;

(x) each Relevant Mortgage Loan meets the Mortgage Loan Criteria as set forth below;

(y) under each of the Relevant Mortgage Receivables interest and, if applicable, principal due in respect of at least one month has been paid by the relevant Borrower;

(z) in respect of each relevant Life Mortgage Loan to which a Life Insurance Policy is connected other than with (i) (a) ASR Verzekeringen N.V. to the extent it is the legal successor of Falcon Leven N.V., Erasmus Leven (a trade name of Nationale Nederlanden Levensverzekering N.V.), or (b) SRLEV N.V. to the extent it is a legal successor of Axa Leven N.V., Reaal Levensverzekering N.V., Zürich Lebensversicherungs-Gesellschaft or DBV Levensverzekeringmaatschappij N.V., or (c) Cordares Levensverzekeringen (a trade name of Loyalis Leven N.V.) or Goudse Levensverzekeringen N.V. (formally known as Goudse Levensverzekering Maatschappij N.V.), (d) APL, to the extent originated by Hypinvest, or (e) Allianz, to the extent originated by Hypinvest (to the extent it is the successor of Estate Hypotheken B.V. and Royal Residentie Hypotheken B.V.), or (f) Nederlandsche Algemeene Maatschappij van Levensverzekering "Conservatrix" N.V., to the extent originated by Hypinvest Hypotheken B.V. (to the extent it is the successor of Nationale Hypotheek Maatschappij B.V.) or (ii) if the Relevant Life Mortgage Receivable is sold by Hypinvest (to the extent it is the successor of Amstelstaete Hypotheken B.V. and Zwaluw Hypotheken B.V.), to the extent these Life Mortgage Loans have been originated by an Originator which is not the Seller and have been transferred to Hypinvest (I) the relevant Life Mortgage Loans and the Life Insurance Policies are not marketed as one combined mortgage and life insurance product or under one name, (II) the Borrowers are free to choose the relevant Life Insurance Company and (III) to the best of its knowledge there are no circumstances resulting in a connection between the relevant Life Mortgage Loan and the relevant Life Insurance Policy other than the relevant Borrower Insurance Pledge and the relevant Beneficiary Rights relating thereto, which would increase the Insurance Set-off Risk;

(aa) the Insurance Company is not a group company of the relevant Seller;

(bb) each Relevant Mortgage Loan was originated by the relevant Seller (or its legal predecessor);

(cc) with respect to each Relevant Mortgage Loan or relevant Loan Part which has the benefit of an NHG Guarantee, (i) the NHG Guarantee is granted for the full amount of the relevant NHG Mortgage Loan or relevant Loan Part at origination and constitutes legal, valid and binding obligations of the Stichting WEW, enforceable in accordance with their terms, (ii) the NHG Guarantee was in compliance with all terms and conditions (*voorwaarden en normen*) applicable to it at the time of origination of the Relevant Mortgage Loans or relevant Loan Part, and (iii) the Seller has not done anything or omitted to do anything which could compromise the enforceability of its claim, nor is the Seller aware of any reason why any claim under any NHG Guarantee granted by Stichting WEW in respect of the Relevant Mortgage Loan or relevant Loan Part should not be met in full and in a timely manner;

(dd) other than the Mortgage Loans granted by NIBC Direct Hypotheken, (a) any savings account of the Borrower held with NIBC and the Relevant Mortgage Loan are offered in such manner that it should be clear to the Borrower that (i) such savings account is held with NIBC, (ii) the Relevant Mortgage Loan is granted by the relevant Originator and (iii) NIBC and the relevant Originator are different legal entities, and (b)(i) neither NIBC nor any intermediary offer any savings accounts or the term deposits as products which are in any way connected with the Relevant Mortgage Loans, (ii) the Relevant Mortgage Loan is not connected to any savings account or any term deposit with NIBC, for example by means of set-off provisions, (iii) the Relevant Mortgage Loans are not offered at the same time with a savings account or the term deposit with NIBC, and (iv) no rights under a savings account or term deposit with NIBC will be pledged to the relevant Seller as security for the Relevant Mortgage Loan;

(ee) it has no Other Claim vis-à-vis any Borrower;

(ff) other than any Construction Deposits, the principal sum was in case of each of the Relevant Mortgage Loans fully disbursed to the relevant Borrower whether or not through the relevant civil law notary and no amounts are held in deposit with respect to premia and interest payments (*rente en premiedepots*);

(gg) the particulars of each Relevant Mortgage Receivable as set forth in the list of Mortgage Receivables attached as Schedule 1 to the Mortgage Receivables Purchase Agreement and as Annex 1 to the Deed of Assignment and Pledge to be signed on the Closing Date and the List of Loans are correct and complete in all material respects;

(hh) the aggregate Outstanding Principal Amount of all Mortgage Receivables on the Cut-Off Date is equal to the Initial Purchase Price;

(ii) interest payments in respect of the Mortgage Receivables by the Borrowers are executed by way of direct debit procedures;

(jj) the notarial mortgage deeds (*minuut*) relating to the Mortgages are kept by a civil law notary in the Netherlands and are registered in the appropriate registers, while the Loan Files, which include certified copies of the notarial mortgage deeds, are kept on behalf of it by the Servicer;

(kk) at the time of selection, the Mortgage Receivable is not in default within the meaning of Article 178(1) of the CRR and, to the best of the relevant Seller's knowledge, the relevant Borrower is not a credit-impaired obligor or guarantor within the meaning of Article 20 paragraph 11 of the Securitisation Regulation or, if applicable, otherwise complies with Article 20 paragraph 11 of the Securitisation Regulation;

(ll) none of the Borrowers had a negative BKR registration (*BKR codering*) upon origination;

(mm) none of the Borrowers holds a savings account, current account or term deposit with the Sellers or its subsidiaries;

(nn) payments in respect of the Relevant Mortgage Receivables by the Borrowers are made directly into the relevant Collection Foundation Account;

(oo) it can be determined without any uncertainty in its administration which Beneficiary Rights relate to which Relevant Mortgage Receivables;

(pp) payments made under the Mortgage Receivables are not subject to withholding tax.

(qq) to the best of the relevant Seller's knowledge, the relevant Mortgage Loans has not been subject to any variation, amendment, modification, waiver, or exclusion of time of any kind which in any material way adversely affects its enforceability or collectability;

(rr) no Mortgage Loan has been entered into as a consequence of any conduct constituting fraud of the relevant Seller and, to the best of the relevant Seller's knowledge, no relevant Mortgage Loan has been entered into fraudulently by the relevant Borrower;

(ss) the Mortgage Conditions do not contain confidentiality provisions which restrict the relevant Seller or Issuer in exercising its rights under the relevant Mortgage Receivables;

(tt) on the Cut-Off Date, or in case of New Mortgage Receivables the relevant Notes Payment Date, the weighted average Original Loan to Original Market Value of all Mortgaged Assets is not greater than 100 per cent.;

(uu) with the exception of Mortgage Loans originated by NIBC Direct Hypotheken and Mortgage Loans originated from June 2013, each Mortgage Loan shall further have the benefit of a Risk Insurance Policy in the event and to the extent the relevant Mortgage Loan exceeds 100 per cent. of the foreclosure value of the Mortgaged Asset. Each Mortgage Loan originated by NIBC Direct Hypotheken and Mortgage Loans originated from June 2013, shall further have the benefit of a Risk Insurance Policy in the event and to the extent the relevant Mortgage Loan exceeds 80 per cent. of the market value of the Mortgaged Asset;

(vv) the Mortgage Loans do not qualify as a transferable security nor as a securitisation position within the meaning of Article 20 paragraph 8 and 9, respectively, of the Securitisation Regulation;

(ww) at the Cut-off Date the weighted average risk weight under CRR of the pool of Mortgage Loans (assuming standardised approach) does not exceed 40 per cent.; and

(xx) at the Cut-off Date the Outstanding Principal Amount under all Mortgage Receivables of a single Borrower shall not exceed 2 per cent. of the aggregate Outstanding Principal Amount of all Mortgage Receivables.

7.3 MORTGAGE LOAN CRITERIA

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

(i) the Mortgage Loans are either:
  a) Interest-only Mortgage Loans (*aflossingsvrije hypotheken*);
  b) Investment Mortgage Loans (*beleggingshypotheken*);
  c) Life Mortgage Loans (*levenhypotheken*);
  d) Linear Mortgage Loans (*lineaire hypotheken*);
  e) Annuity Mortgage Loans (*annuïteitenhypotheken*);
  f) Mortgage Loans which combine any of the above mentioned types of mortgage loans;

(ii) the Borrower is a private individual, a resident of the Netherlands and not an employee of any of the Sellers;

(iii) each Mortgage Loan is (until the reset date, if applicable) either (i) a Mortgage Loan that has a fixed interest rate for a period of 1 to 30 years (following the expiry of the fixed term which will reset onto another fixed rate for a following period of 1-30 years or will become a Floating Rate Mortgage) ("**Fixed Rate Mortgage**") or (ii) a Mortgage Loan that has an interest rate which resets monthly or quarterly ("**Floating Rate Mortgage**");

(iv) each Mortgaged Asset is not the subject of residential letting and is occupied by the Borrower at the moment of (or shortly after) origination;

(v) interest payments are scheduled to be made monthly or quarterly;

(vi) no Mortgage Loan or part thereof qualifies as a bridge loan (*overbruggingshypotheek*) and or an equity release mortgage loan;

(vii) each Mortgaged Asset is located in the Netherlands;

(viii) none of the Mortgage Loans has a maturity date beyond 1 November 2048;

(ix) all Mortgaged Assets are single family houses, apartment rights (*appartementsrechten*) or are subject to semi-commercial use;

(x) the Outstanding Principal Amount of each Mortgage Loan or the aggregate Outstanding Principal Amount of all Mortgage Loans secured on the same property does not exceed EUR 1,000,000;

(xi) in respect of each Mortgage Loan at least one (interest) payment has been received prior to the Closing Date;

(xii) the Mortgage Loan has not been based on a self-certified income statement nor adviser-verified income statement of the Borrower and was not marketed and underwritten on the premise that the Borrower or, where applicable, intermediaries were made aware that the information provided might not be verified by the relevant Seller;

(xiii) except for NHG Mortgage Loan parts, for each Mortgage Loan, the cumulative principal amount of the loan (parts) that qualifies as an Interest-only Mortgage Loan did not exceed 100 per cent. of the Original Foreclosure Value or 50 per cent. of the Market Value in case a Mortgage Loan is granted after 1 August 2011;

(xiv) the Mortgage Loan does not have a Current Loan to Indexed Market Value Ratio higher than 100 per cent. (or, if a different percentage is required or sufficient from time to time for the Notes to comply with Article 243(2) of the CRR Amendment Regulation and the Seller wishes to apply such different percentage, then such different percentage);

(xv) the Mortgage Loan is denominated in euro and has a positive outstanding principal balance;

(xvi) none of the Borrowers has a negative BKR registration (*BKR codering*) upon origination;

(xvii) all Mortgage Loans have been executed on or after 1 January 1992 or have had an interest reset date after 1 January 1992; and

(xviii) if the Mortgage Loan is a construction mortgage loan with a related Construction Deposit, such Construction Deposit does not exceed EUR 50,000.

7.4 PORTFOLIO CONDITIONS

Substitution

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

Substitution Conditions

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

(a) the relevant Seller will represent and warrant to the Issuer and the Security Trustee the matters set out in the clauses providing for the representations and warranties relating to the Relevant Mortgage Loans, the Relevant Mortgage Receivables and the relevant Seller in the Mortgage Receivables Purchase Agreement with respect to the New Mortgage Receivables sold and relating to the relevant Seller (with certain exceptions to reflect that the New Mortgage Receivables are sold and may have been originated after the Closing Date);
(b) no Assignment Notification Event has occurred and is continuing;
(c) not more than 1.0 per cent. of the aggregate Outstanding Principal Amount of the Mortgage Loans is in arrears for a period exceeding sixty (60) calendar days;
(d) the weighted average of the aggregate proportions of the Original Loan to Original Market Value in respect of each Mortgage Loan and New Mortgage Loan may not increase as a result of the sale and purchase of New Mortgage Receivables (for the avoidance of doubt, on an weighted average and aggregate basis in respect of all Mortgage Loans);
(e) the aggregate Outstanding Principal Amount of the New Mortgage Receivables purchased by the Issuer (starting from the Closing Date) shall not exceed 10 per cent. of the aggregate Principal Amount Outstanding of the Notes on the Closing Date;
(f) the aggregate Outstanding Principal Amount of the Interest-only Mortgage Loan as a percentage of the aggregate Principal Amount Outstanding of all Mortgage Loans shall not increase by more than 1.0 per cent. compared to the percentage at Closing as a result of the sale and purchase of New Mortgage Receivables;
(g) there has been no failure by any of the Sellers to repurchase any Relevant Mortgage Receivable which it is required to repurchase pursuant to the Mortgage Receivables Purchase Agreement;
(h) the Substitution Available Amount is sufficient to pay the purchase price for the relevant New Mortgage Receivables;
(i) the New Mortgage Receivable has not been granted to an unemployed or retired borrower;
(j) in case of a purchase of New Mortgage Receivables, no amount is withheld as Construction Deposit;
(k) there is no debit balance on the Principal Deficiency Ledger;
(l) the aggregate Realised Losses do not exceed 0.4 per cent. of the aggregate Outstanding Principal Amount of the Mortgage Receivables at the Closing Date;
(m) the weighted average loan to income ratio of all Mortgage Receivables (including the Mortgage Receivables to be purchased) will not exceed 4.0;
(n) the New Mortgage Receivable complies with the Mortgage Loan Criteria,

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

7.5 SERVICING AGREEMENT

Servicing Agreement

In the Servicing Agreement the Servicer will (i) agree to provide management services to the Issuer on a day-to-day basis in relation to the Mortgage Loans and the Mortgage Receivables resulting from such Mortgage Loans, including, without limitation, the collection of payments of principal, interest and other amounts in respect of the Mortgage Receivables, all administrative actions in relation thereto, (ii) agree to provide the implementation of arrears procedures including the enforcement of mortgage rights and any other collateral (see section 6.3 (*Origination and Servicing*)) and (ii) prepare and provide the Issuer Administrator with certain statistical information regarding the Issuer as required by law, for submission to the relevant regulatory authorities. The Servicer will be obliged to manage the Mortgage Loans and the Mortgage Receivables with the same level of skill, care and diligence as mortgage loans in its own or, as the case may be, the Seller's portfolio.

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

The Servicing Agreement may be terminated by the Issuer or the Security Trustee, upon the occurrence of certain termination events, including but not limited to, a failure by the Servicer to comply with its obligations (unless remedied within the applicable grace period), dissolution or liquidation of the Servicer or the Servicer being declared bankrupt or the Servicer no longer holds a licence as intermediary (*bemiddelaar*) or offeror of credit (*aanbieder*) under the Wft. In addition the Servicing Agreement may be terminated by the Servicer or the Issuer or the Security Trustee upon the expiry of not less than six months' notice, provided that, *inter alia*, the Security Trustee has consented in writing to such termination, which consent may not be unreasonably withheld and subject to a substitute servicer being appointed, such appointment to be effective not later than the date of termination of the Servicing Agreement (and the Servicer shall notify the Credit Rating Agencies in writing of the identity of such substitute servicer).

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

Stater Nederland B.V.

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

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

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 224 billion and 1,272,200 mortgage loans. In the Netherlands, Stater has a market share of about 38 per cent as of 30 June 2017.

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. A credit-scoring model and a fraud detection system form part of automated underwriting.

In January 2018, credit rating agency Fitch Ratings assigned Stater a Residential Primary Servicer Rating of ‘RPS1-‘. With this rating, which Stater received for its role as "primary servicer", Stater is the top scoring service provider in Europe for mortgage services. Ratings are awarded on a scale from 1 to 5, with 1 being the highest possible ranking.

In 2016 KPMG Netherlands, the company’s external auditor, issued an ISAE 3402 Type II assurance report on internal processes at Stater. For the purpose of this report, Stater requested KPMG to test the design, existence and functioning of the defined control measures for the January 1st to 31 October 2016 reporting period. With this report, Stater aims to provide its clients and their internal and external auditors transparent insight into its services and procedures.

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

The information under this heading has been provided for by Stater.

8. GENERAL

1. The issue of the Notes has been duly authorised by a resolution of the board of managing directors of the Issuer passed on or about 30 October 2018.

2. Application has been made to list the Notes (other than the Class E Notes) on Euronext Amsterdam. The estimated total costs involved with such admission amount to EUR 16,200.

3. The Class A Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and will bear common code 190640841 and ISIN XS1906408411.

4. The Class B Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and will bear common code 190641023 and ISIN XS1906410235.

5. The Class C Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and will bear common code 190641031 and ISIN XS1906410318.

6. The Class D Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and will bear common code 190641040 and ISIN XS1906410409.

7. The Class E Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and will bear common code 190641066 and ISIN XS1906410664.

8. There has been no material adverse change in the financial position or prospects of the Issuer since its incorporation on 1 October 2018.

9. There are no legal, arbitration or governmental proceedings and neither the Issuer nor the Shareholder is aware of any such proceedings which may have, or have had, significant effects on the Issuer's or, as the case may be, the Shareholder's financial position or profitability nor, so far as the Issuer and/or the Shareholder is aware, are any such proceedings pending or threatened against the Issuer and the Shareholder, respectively, in the previous twelve months.

10. The addresses of the clearing systems are: Euroclear, 1 Boulevard du Roi Albert II, 1210 Brussels, Belgium and Clearstream Luxembourg, 42 Avenue J.F. Kennedy, L-1855 Luxembourg.

11. As long as any of the Notes are outstanding, copies of the following documents may be inspected at the specified offices of the Security Trustee and the Paying Agent during normal business hours and will be available either in physical or in electronic form, as the case may be:

    (i) the Deed of Incorporation of the Issuer, including its Articles of Association;
    (ii) the Mortgage Receivables Purchase Agreement;
    (iii) the Deeds of Assignment and Pledge;
    (iv) the Notes Purchase Agreements;
    (v) the Paying Agency Agreement;
    (vi) the Trust Deed;
    (vii) the Issuer Rights Pledge Agreement;
    (viii) the Issuer Mortgage Receivables Pledge Agreement;
    (ix) the Parallel Debt Agreement;
    (x) the Servicing Agreement;
    (xi) the Administration Agreement;
    (xii) the Swap Agreement;
    (xiii) the Issuer Account Agreement;
    (xiv) the Master Definitions Agreement;
    (xv) the Collection Foundation Agreements;
    (xvi) the Cash Advance Facility Agreement.

12. A copy of the Prospectus (in print) will be available (free of charge) at the registered office of the Issuer, the Security Trustee and the Paying Agent and in electronic form on www.assetbacked.nl

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

14. U.S. tax legend:

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 Sections 165(j) and 1287(a) of the Internal Revenue Code'.

15. The Issuer confirms that:

(A) it will disclose in the first Investor Report the amount of the Notes:

(I) privately-placed with investors which are not in the NIBC Group;
(II) retained by a member of the NIBC Group; and
(III) publicly-placed with investors which are not in the NIBC Group;

(B) in relation to any amount initially retained by a member of the NIBC Group, but subsequently placed with investors which are not in the NIBC Group, it will (to the extent permissible) disclose such placement in the next Investor Report.

16. The Issuer will provide the following post-issuance transaction information on the transaction: (i) a monthly report on the performance of the Mortgage Receivables, including the arrears and the losses, and an Investor Report (available on each Notes Payment Date) on the Notes admitted to trading in each case to be obtained at: www.assetbacked.nl, (ii) the Issuer confirms that the transaction information under item (i) will remain available until redemption in full of the Notes on www.assetbacked.nl. The Investor Report will contain a glossary of the defined terms used in such report.

17. NIBC, as Issuer Administrator on behalf of the Issuer, will make available loan-by-loan information (i) on the Mortgage Receivables prior to the issue date which information can be obtained upon request from NIBC and (ii) after the issue date, on a quarterly basis, which information can be obtained at the website of the European DataWarehouse http://www.eurodw.eu/edwin.html within one month after the relevant Notes Payment Date.

18. NIBC, as Issuer Administrator on behalf of the Issuer, will make available to investors from the issue date until redemption in full of the Notes a cash flow model of the transaction described in this Prospectus via Bloomberg.

19. The accountants at Ernst & Young Accountants LLP are registered accountants (*registeraccountants*) and are a member of the Netherlands Institute of Chartered Accountants (*NBA*).

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

21. Amounts payable under the Notes may be calculated by reference to Euribor, which is provided by European Money Markets Institute (EMMI) and the interest received on the Issuer Accounts is determined by reference to EONIA. As at the date of this Prospectus, European Money Markets Institute (EMMI) does not appear on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (ESMA) pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011). As far as the Issuer is aware, the transitional

provisions in Article 51 of the Benchmark Regulation (Regulation (EU) 2016/1011) apply, such that European Money Markets Institute (EMMI) is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).

22. **Responsibility statement**

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

The Sellers are also responsible for the information contained in the following sections of this Prospectus: all paragraphs dealing with article 405 of the CRR, article 51 of the AIFMR and articles 254 and 256 of the Solvency II Regulation and article 6 of the Securitisation Regulation, section 1.6 (*Portfolio Information*), section 3.4 (*Sellers*), section 6.1 (*Stratification tables*), section 6.2 (*Description of Mortgage Loans*), section 6.3 (*Origination and Servicing*), paragraphs *'Stater Nederland B.V.'* in section 7.5 (*Servicing Agreement*), the paragraph *'Average life'* in section 1 (*Transaction Overview*). To the best of their knowledge (having taken all reasonable care to ensure that such is the case) the information contained in these paragraphs is in accordance with the facts and does not omit anything likely to affect the import of such information. Each of the Sellers accepts responsibility accordingly.

9. GLOSSARY OF DEFINED TERMS

The defined terms used in this Glossary of Defined Terms, to the extent applicable, conform to the standard published by the Dutch Securitisation Association (see section 4.4 (Regulatory and Industry Compliance) (the "RMBS Standard"). However, certain deviations from the defined terms used in the RMBS Standard are denoted in the below as follows:

· if the defined term is not included in the RMBS Standard definitions list and is an additional definition, by including the symbol '+' in front of the relevant defined term;

· if the defined term deviates from the definition as recorded in the RMBS Standard definitions list, by including the symbol '' in front of the relevant defined term;*

· if the defined term is not between square brackets in the RMBS Standard definitions list and is not used in this Prospectus, by including the symbol 'NA' in front of the relevant defined term.

9.1 DEFINITIONS

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

+	"**ABN AMRO Bank**"	means ABN AMRO Bank N.V., incorporated under Dutch law as a public company (*naamloze vennootschap*), having its corporate seat in Amsterdam and registered with the Commercial Register of the Chamber of Commerce under number 34334259;
	"**Administration Agreement**"	means the administration agreement between the Issuer, the Issuer Administrator and the Security Trustee dated the Signing Date;
	"**AFM**"	means the Dutch Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*);
	"**AIFMR**"	means the Commission Delegated Regulation No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision;
*	"**All Moneys Mortgage**"	means any mortgage right (*hypotheekrecht*) which secures not only the loan granted to the Borrower to purchase the mortgaged property, but also any other liabilities and moneys that the Borrower, now or in the future, may owe to the relevant Originator either (i) regardless of the basis of such liability or (ii) under or in connection with the credit relationship (*kredietrelatie*) of the Borrower and the relevant Originator;
*	"**All Moneys Pledge**"	means any right of pledge (*pandrecht*) which secures not only the loan granted to the Borrower to purchase the mortgaged property, but also any other liabilities and moneys that the Borrower, now or in the future, may owe to the relevant Originator either (i) regardless of the basis of such liability or (ii) under or in connection with the credit relationship (*kredietrelatie*) of the Borrower and the relevant Originator;
	"**All Moneys Security Rights**"	means any All Moneys Mortgages and All Moneys Pledges collectively;
+	**"Allianz"**	means Allianz Nederland Levensverzekering N.V.;

	"**Annuity Mortgage Loan**"	means a mortgage loan or part thereof in respect of which the Borrower pays a fixed monthly instalment, made up of an initially high and thereafter decreasing interest portion and an initially low and thereafter increasing principal portion, and calculated in such manner that such mortgage loan will be fully redeemed at its maturity;
N/A	"**Annuity Mortgage Receivable**"	
+	**"APL"**	means Achmea Pensioen- en Levensverzekeringen N.V.;
	"**Arranger**"	means NIBC;
	"**Assignment Actions**"	means any of the actions specified as such in section 7.1 (*Purchase, repurchase and sale*) of this Prospectus;
	"**Assignment Notification Event**"	means any of the events specified as such in section 7.1 (*Purchase, repurchase and sale*) of this Prospectus;
	"**Assignment Notification Stop Instruction**"	has the meaning ascribed thereto in section 7.1 (*Purchase, repurchase and sale*) of this Prospectus;
	"**Available Principal Funds**"	has the meaning ascribed thereto in Condition 6(c) (*Redemption*);
+	"**Available Principal Redemption Funds**"	has the meaning ascribed thereto in Condition 6(c) (*Redemption*);
	"**Available Revenue Funds**"	has the meaning ascribed thereto in section *Credit Structure* of this Prospectus;
+	"**Banking Regulations**"	means the international, European or Dutch banking regulations, rules and instructions;
	"**Basel II**"	means the capital accord under the title "Basel II: "International Convergence of Capital Measurement and Capital Standards Revised Framework" published on 26 June 2004 by the Basel Committee on Banking Supervision;
*	"**Basel III**"	means the capital accord amending Basel II under the title "Basel III: a global regulatory framework for more resilient banks and banking systems" published in December 2010 by the Basel Committee on Banking Supervision and further standards adopted by the Basel Committee as forming part of Basel III;
	"**Basic Terms Change**"	has the meaning ascribed thereto in Condition (14) (*Meetings of Noteholders; Modification; Consents; Waiver*);
+	"**Benchmark Regulation**"	means Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014;
	"**Beneficiary Rights**"	means all claims which the (relevant) Seller has vis-à-vis the

		relevant Insurance Company in respect of an Insurance Policy, under which the relevant Seller has been appointed by the Borrower as beneficiary (*begunstigde*) in connection with the relevant Mortgage Receivable;
	"**BKR**"	means Office for Credit Registration (*Bureau Krediet Registratie*);
	"**Borrower**"	means the debtor or debtors, including any jointly and severally liable co-debtor or co-debtors, of a Mortgage Loan;
	"**Borrower Insurance Pledge**"	means a right of pledge (*pandrecht*) created in favour of the relevant Originator on the rights of the relevant pledgor against the relevant Insurance Company under the relevant Insurance Policy securing the relevant Mortgage Receivable;
	"**Borrower Insurance Proceeds Instruction**"	means the irrevocable instruction by the beneficiary under an Insurance Policy to the relevant Insurance Company to apply the insurance proceeds towards repayment of the same debt for which the relevant Borrower Insurance Pledge was created;
	"**Borrower Investment Account**"	means, in respect of an Investment Mortgage Loan, an investment account in the name of the relevant Borrower;
	"**Borrower Investment Pledge**"	means a right of pledge (*pandrecht*) on the rights of the relevant Borrower in connection with the Borrower Investment Account in respect of the Investment Mortgage Loans;
	"**Borrower Pledge**"	means a right of pledge (*pandrecht*) securing the relevant Mortgage Receivable, including a Borrower Insurance Pledge and a Borrower Investment Pledge;
+	"**BRRD**"	means Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012;
*	"**Business Day**"	means (i) when used in the definition of Notes Payment Date and in Condition 4(e) (*Euribor*), a TARGET 2 Settlement Day, provided that such day is also a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Amsterdam and London and (ii) in any other case, a day on which banks are generally open for business in Amsterdam;
	"**Cash Advance Facility Agreement**"	means the cash advance facility agreement between the Cash Advance Facility Provider, the Issuer and the Security Trustee dated the Signing Date;
	"**Cash Advance Facility Maximum Amount**"	means an amount equal to the greater of (a) (i) 1.50 per cent. of the Principal Amount Outstanding of the Class A Notes on such date and (ii) 0.75 per cent. of the Principal Amount Outstanding of the Class A Notes as at the Closing Date or (b) any other amount agreed with the Credit Rating Agencies and the Cash Advance Facility Provider;

	"**Cash Advance Facility Provider**"	means ING Bank;
	"**Cash Advance Facility Stand-by Drawing**"	means the drawing by the Issuer of the entire undrawn portion under the Cash Advance Facility Agreement if a Cash Advance Facility Stand-by Drawing Event occurs;
	"**Cash Advance Facility Stand-by Drawing Account**"	means the bank account of the Issuer designated as such in the Issuer Account Agreement;
	"**Cash Advance Facility Stand-by Drawing Event**"	means any of the events specified as such in section 5.5 (*Liquidity Support*) of this Prospectus;
+	"**CET**"	means Central European Time;
+	"**Citibank**"	means Citibank N.A. London Branch;
+	"**Class A Managers**"	means NIBC, ING Bank N.V., Coöperatieve Rabobank U.A. and Société Générale S.A.;
	"**Class A Notes**"	means the EUR 447,300,000 Class A mortgage-backed notes 2018 due 2050;
+	"**Class A Notes Purchase Agreement**"	means the notes purchase agreement between the Class A Managers, the Issuer and the Sellers dated the Signing Date;
	"**Class B Notes**"	means the EUR 8,100,000 Class B mortgage-backed notes 2018 due 2050;
	"**Class C Notes**"	means the EUR 9,900,000 Class C mortgage-backed notes 2018 due 2050;
	"**Class D Notes**"	means the EUR 10,900,000 Class D mortgage-backed notes 2018 due 2050;
	"**Class E Notes**"	means the EUR 4,700,000 Class E notes 2018 due 2050;
+	"**Class E Redemption Amount**"	has the meaning ascribed thereto in Condition 6(i) (*Redemption*);
+	"**Class E Available Principal Funds**"	has the meaning ascribed thereto in Condition 6(i) (*Redemption*);
*	"**Clean-Up Call Option**"	means the right of the Issuer to redeem all of the Notes in whole but not in part, at their Principal Amount Outstanding, which right may be exercised on any Notes Payment Date on which the aggregate Outstanding Principal Amount of the Mortgage Receivables is not more than 10 per cent. of the aggregate Outstanding Principal Amount of the Mortgage Receivables on the Closing Date;
	"**Clearstream, Luxembourg**"	means Clearstream Banking, société anonyme;
	"**Closing Date**"	means 30 November 2018 or such later date as may be agreed between the Issuer and NIBC;

+	"**Code**"	means the U.S. Internal Revenue Code of 1986;
	"**Code of Conduct**"	means the Mortgage Code of Conduct (*Gedragscode Hypothecaire Financieringen*) introduced in January 2007 by the Dutch Association of Banks (Nederlandse Vereniging van Banken);
+	"**Collection Bank Required Rating**"	has the meaning ascribed thereto in section 5.1 (*Available Funds*)
	"**Collection Foundation**"	means Stichting Ontvangsten Hypotheekgelden;
*	"**Collection Foundation Accounts**"	means the bank accounts maintained by the Collection Foundation with the Foundation Accounts Provider;
*	"**Collection Foundation Account Pledge Agreement**"	means the pledge agreement between, among others, the Issuer, the Security Trustee, the Previous Transaction SPVs, the Previous Transaction Security Trustees, Hypinvest and NIBC Direct Hypotheken dated 12 November 2018;
*	"**Collection Foundation Agreements**"	means the Collection Foundation Account Pledge Agreement and the Receivables Proceeds Distribution Agreement and any accession notices in relation thereto ;
	"**Common Safekeeper**"	means, in respect of the Class A Notes, Euroclear or Clearstream, Luxembourg (as elected) and in respect of the Subordinated Notes, Citibank;
	"**Conditions**"	means the terms and conditions of the Notes set out in Schedule 5 to the Trust Deed as from time to time modified in accordance with the Trust Deed and, with respect to any Notes represented by a Global Note, as modified by the provisions of the relevant Global Note;
	"**Construction Deposit**"	means in respect of a Mortgage Loan, that part of the Mortgage Loan which the relevant Borrower requested to be disbursed into a blocked account held in his name with the relevant Seller, the proceeds of which may be applied towards construction of, or improvements to, the relevant Mortgaged Asset;
	"**Construction Deposit Account**"	means the bank account of the Issuer designated as such in the Issuer Account Agreement;
	"**Coupons**"	means the interest coupons appertaining to the Notes in definitive form;
	"**CPR**"	means Constant Prepayment Rate;
	"**CRA Regulation**"	means Regulation (EC) No 1060/2009 of 16 September 2009 on credit rating agencies, as amended by Regulation EU No 462/2013 of 21 May 2013;
	"**CRD**"	means Directive 2006/48/EC of the European Parliament and of the Council (as amended by Directive 2009/111/EC);
	"**CRD IV**"	means Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions

		and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC;
	"**Credit Rating Agency**"	means any credit rating agency (including any successor to its rating business) who, at the request of the Issuer, assigns, and for as long as it assigns, one or more ratings to the Notes, from time to time, which as at the Closing Date includes Fitch and Moody's;
	"**Credit Rating Agency Confirmation**"	means, with respect to a matter which requires Credit Rating Agency Confirmation under the Transaction Documents and which has been notified to each Credit Rating Agency with a request to provide a confirmation, receipt by the Security Trustee, in form and substance satisfactory to the Security Trustee, of: (a) a confirmation from each Credit Rating Agency that its then current ratings of the Notes will not be adversely affected by or withdrawn as a result of the relevant matter (a "**confirmation**"); (b) if no confirmation is forthcoming from any Credit Rating Agency, a written indication, by whatever means of communication, from such Credit Rating Agency that it does not have any (or any further) comments in respect of the relevant matter (an "**indication**"); or (c) if no confirmation and no indication is forthcoming from any Credit Rating Agency and such Credit Rating Agency has not communicated that the then current ratings of the Notes will be adversely affected by or withdrawn as a result of the relevant matter or that it has comments in respect of the relevant matter: (i) a written communication, by whatever means, from such Credit Rating Agency that it has completed its review of the relevant matter and that in the circumstances (x) it does not consider a confirmation required or (y) it is not in line with its policies to provide a confirmation; or (ii) if such Credit Rating Agency has not communicated that it requires more time or information to analyse the relevant matter, evidence that thirty (30) days have passed since such Credit Rating Agency was notified of the relevant matter and that reasonable efforts were made to obtain a confirmation or an indication from such Credit Rating Agency;
	"**CRR**"	means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012;
+	"**CRR Amendment Regulation**"	means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012;

	"**Cut-Off Date**"	means 1 October 2018;
	"**Deed of Assignment and Pledge**"	means a deed of assignment and pledge in the form set out in the Mortgage Receivables Purchase Agreement;
*	"**Defaulted Mortgage Loan**"	means a Mortgage Loan that is in arrears for a period exceeding ninety (90) days or in respect of which an instruction has been given to the civil-law notary to publicly sell the Mortgaged Assets;
	"**Deferred Purchase Price**"	means part of the purchase price for the Mortgage Receivables equal to the sum of all Deferred Purchase Price Instalments;
	"**Deferred Purchase Price Instalment**"	means, after application of the relevant available amounts in accordance with the relevant Priority of Payments, any amount remaining after all items ranking higher than the item relating to the Deferred Purchase Price have been satisfied;
	"**Definitive Notes**"	means Notes in definitive bearer form in respect of any Class of Notes;
*	"**Directors**"	means Intertrust Management B.V. as the sole director of each of the Issuer and the Shareholder and TMF Management B.V. as the sole director of the Security Trustee collectively;
	"**DNB**"	means the Dutch central bank (*De Nederlandsche Bank N.V.)*;
	"DSA"	means the Dutch Securitisation Association;
	"**ECB**"	means the European Central Bank;
	"**EMIR**"	means Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories;
+	"**EMMI**"	means the European Money Markets Institute;
+	"**Enforcement Available Amount**"	means amounts corresponding to the sum of: (a) amounts recovered (*verhaald*) in accordance with article 3:255 of the Dutch Civil Code by the Security Trustee under the Pledge Agreements is a party on the Pledged Assets, including, without limitation, amounts recovered under or in connection with the trustee indemnification under the Mortgage Receivables Purchase Agreement; and without double counting, (b) any amounts received by the Security Trustee (i) in connection with the Parallel Debt and (ii) as creditor under the Mortgage Receivables Purchase Agreement in connection with the trustee indemnification bears to the Outstanding Principal Amount of all Mortgage Receivables; in each case less the sum of (i) any amounts paid by the Security Trustee to the Secured Creditors pursuant to the Trust Deed and (ii) any cost, charges, liabilities and expenses (including, for the avoidance of doubt, any costs of the Credit Rating Agencies and any legal adviser, auditor and accountant appointed by the Security Trustee), incurred by the Security

		Trustee in connection with any of the Transaction Documents;
	"**Enforcement Date**"	means the date of an Enforcement Notice;
	"**Enforcement Notice**"	means the notice delivered by the Security Trustee to the Issuer pursuant to Condition 10 (*Events of Default*);
	"**EONIA**"	means the Euro Overnight Index Average as published jointly by the European Banking Federation and ACI/The Financial Market Association;
	"**ESMA**"	means the European Securities and Markets Authority;
	"**EU**"	means the European Union;
	"**EUR**", "**euro**" or "**€**"	means the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended from time to time;
	"**Euribor**"	has the meaning ascribed to it in Condition 4(c) (*Interest*);
	"**Euribor Reference Banks**"	has the meaning ascribed thereto in Condition 4(e) (*Interest*);
	"**Euroclear**"	means Euroclear Bank SA/NV as operator of the Euroclear System;
	"**Euronext Amsterdam**"	means Euronext in Amsterdam;
	"**Events of Default**"	means any of the events specified as such in Condition 10 (*Events of Default*);
*	"**Excess Swap Collateral**"	has the meaning ascribed thereto in section 5.6 (*Issuer Transaction Accounts*) of this Prospectus;
	"**Exchange Date**"	means the date, not earlier than forty (40) days after the issue date of the Notes on which interests in the Temporary Global Notes will be exchangeable for interests in the Permanent Global Notes;
	"**Extraordinary Resolution**"	has the meaning ascribed thereto in Condition (14) (*Meetings of Noteholders; Modification; Consents; Waiver*);
	"**FATCA**"	means Sections 1471 through 1474 of the Code;
+	"**FATCA Withholding**"	means any withholding or deduction required pursuant to Sections 1471 through 1474 of the Code, any current or future regulations, official guidance or interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any intergovernmental agreements (or related legislation or official administrative rules or practices) implementing any of the foregoing;
	"**Final Maturity Date**"	means the Notes Payment Date falling in November 2050;
	"**First Optional Redemption Date**"	means the Notes Payment Date falling in November 2023;

	"**Fitch**"	means Fitch Ratings Limited, and includes any successor to its rating business;
	"**Foreclosure Value**"	means the foreclosure value of the Mortgaged Asset;
+	"**Foundation Accounts Provider**"	means ABN AMRO Bank;
	"**Further Advance**"	means a loan or a further advance to be made to a Borrower under a Mortgage Loan, which is secured by the same Mortgage;
	"**Further Advance Receivable**"	means the Mortgage Receivable resulting from a Further Advance;
	"**Global Note**"	means any Temporary Global Note or Permanent Global Note;
	"**Higher Ranking Class**"	means, in respect of any Class of Notes, each Class of Notes which has not been previously redeemed or written off in full and which ranks higher in priority to it in the Revenue Priority of Payments;
+	"**Hypinvest**"	means Hypinvest B.V.;
+	"**ICSDs**"	means International Central Securities Depositories;
*	**"Indexed Foreclosure Value"**	means, in respect of a sale of Mortgage Receivables by the Issuer in accordance with Clause 19 of the Trust Deed on any date, if the Foreclosure Value was assessed within one month prior to the such date, such Foreclosure Value or, if the Foreclosure Value was assessed more than one month prior to such date, such Foreclosure Value indexed to median price levels of the year in which the relevant Notes Payment Date falls as reported by the "*Kadaster*" or, in case no such report is available, as reported by any other authoritative organisation in this field;
+	"**ING Bank**"	means ING Bank N.V.;
	"**Initial Purchase Price**"	means, in respect of any Mortgage Receivable, its Outstanding Principal Amount on (i) the Cut-Off Date or (ii) in case of a New Mortgage Receivable, the first day of the month immediately preceding the month wherein the relevant New Mortgage Receivable is purchased;
	"**Insurance Company**"	means any insurance company established in the Netherlands;
	"**Insurance Policy**"	means a Life Insurance Policy and/or a Risk Insurance Policy;
N/A	"**Insurance Savings Participation**"	
+	"**Insurance Set-off Risk**"	means the set-off risk as described in the section 2 (*Risk Factors*) under '*Risk of set-off and defences by Borrowers in case of insolvency of Insurance Companies*' of this Prospectus;
	"**Interest Amount**"	has the meaning ascribed thereto in Condition 4(f) (*Interest*);
*	"**Interest Determination Date**"	has the meaning ascribed thereto in Condition 4(e) (*Interest*);

	"**Interest Period**"	means the period from (and including) the Closing Date to (but excluding) the first Notes Payment Date falling in February 2019 and each successive period from (and including) a Notes Payment Date to (but excluding) the next succeeding Notes Payment Date;
	"**Interest Rate**"	means the rate of interest applicable from time to time to a Class of Notes as determined in accordance with Condition 4 (*Interest*);
+	"**Interest Reconciliation Ledger**"	means the ledger specifically created for such purpose on the Issuer Collection Account as set forth in the Administration Agreement;
+	"**Interest Shortfall Ledger**"	means the interest shortfall ledger relating to the relevant Classes of Subordinated Notes and comprising sub-ledgers for each such Class of Subordinated Notes;
	"**Interest-only Mortgage Loan**"	means a mortgage loan or part thereof in respect of which the Borrower is not required to repay principal until maturity;
	"**Interest-only Mortgage Receivable**"	means the Mortgage Receivable resulting from an Interest-only Mortgage Loan;
	"**Investment Mortgage Loan**"	means a mortgage loan or part thereof in respect of which the Borrower is not required to repay principal until maturity, but undertakes to invest defined amounts through a Borrower Investment Account;
	"**Investment Mortgage Receivable**"	means the Mortgage Receivable resulting from an Investment Mortgage Loan;
*	"**Investor Report**"	means the investor report which will be published quarterly by the Issuer Administrator on www.assetbacked.nl and which report will comply with the standard created by the DSA;
	"**ISDA**"	means the International Swaps and Derivatives Association, Inc.;
	"**Issuer**"	means Dutch MBS XIX B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid)* incorporated under Dutch law and established in Amsterdam, the Netherlands;
	"**Issuer Account Agreement**"	means the issuer account agreement between the Issuer, the Security Trustee and the Issuer Account Bank dated the Signing Date;
	"**Issuer Account Bank**"	means Société Générale S.A., Amsterdam Branch, a *Société Anonyme*, incorporated under the laws of the French Republic and having its registered address at 29 Boulevard Haussmann, 75009, Paris, France, operating in the Netherlands through its Amsterdam Branch, whose address is Amstelplein 1, 1096 HA Amsterdam, the Netherlands;
	"**Issuer Accounts**"	means any of the Issuer Transaction Accounts, the Swap Collateral Account and Cash Advance Facility Stand-by Drawing Account;

	"**Issuer Administrator**"	means NIBC;
	"**Issuer Collection Account**"	means the bank account of the Issuer designated as such in the Issuer Account Agreement;
	"**Issuer Director**"	means Intertrust Management B.V.;
	"**Issuer Management Agreement**"	means the issuer management agreement between the Issuer, the Issuer Director and the Security Trustee dated the Signing Date;
	"**Issuer Mortgage Receivables Pledge Agreement**"	means the mortgage receivables pledge agreement between the Issuer and the Security Trustee dated the Signing Date;
	"**Issuer Rights**"	means any and all rights of the Issuer under and in connection with the Mortgage Receivables Purchase Agreement, the Issuer Account Agreement including the balance on the Issuer Accounts, the Servicing Agreement, the Administration Agreement, the Cash Advance Facility Agreement, the Paying Agency Agreement and the Swap Agreement;
	"**Issuer Rights Pledge Agreement**"	means the issuer rights pledge agreement between, amongst others, the Issuer, the Security Trustee, the Sellers and the Servicer dated the Signing Date pursuant to which a right of pledge is created in favour of the Security Trustee over the Issuer Rights;
+	**"Issuer Services"**	means the services to be provided by the Issuer Administrator to the Issuer and the Security Trustee, as set out in the Administration Agreement;
	"**Issuer Transaction Account**"	means any of the Issuer Collection Account, the Reserve Account and the Construction Deposit Account;
	"**Land Registry**"	means the Dutch land registry (*het Kadaster*);
+	"**LCR Delegated Regulation**"	means Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for Credit Institutions;
	"**Life Insurance Policy**"	means an insurance policy taken out by any Borrower comprised of a risk insurance element and a capital insurance element which pays out a certain amount on an agreed date or, if earlier, upon the death of the insured life;
	"**Life Mortgage Loan**"	means a mortgage loan or part thereof in respect of which the Borrower is not required to repay principal until maturity, but instead pays on a monthly basis a premium to the relevant Insurance Company;
	"**Life Mortgage Receivable**"	means the Mortgage Receivable resulting from a Life Mortgage Loan;
	"**Linear Mortgage Loan**"	means a mortgage loan or part thereof in respect of which the Borrower each month pays a fixed amount of principal towards redemption of such mortgage loan (or relevant part thereof) until maturity;

	"**Linear Mortgage Receivable**"	means the Mortgage Receivable resulting from a Linear Mortgage Loan;
	"**Listing Agent**"	means NIBC;
	"**Loan Parts**"	means one or more of the loan parts (*leningdelen*) of which a mortgage loan consists;
	"**Local Business Day**"	has the meaning ascribed thereto in Condition 5(c) (*Payment*);
	"**MAD Regulations**"	means the Market Abuse Directive, the Market Abuse Regulation and the Dutch implementation legislation pertaining thereto;
	"**Market Abuse Directive**"	means the Directive 2014/57/EU of 16 April 2014;
	"**Market Abuse Regulation**"	means the Regulation (EU) No 596/2014 of 16 April 2014;
	"**Management Agreement**"	means any of (i) the Issuer Management Agreement, (ii) the Shareholder Management Agreement and (iii) the Security Trustee Management Agreement;
	"**Managers**"	means NIBC and the Class A Managers;
	"**Market Value**"	means (i) the market value (*marktwaarde*) of the relevant Mortgaged Asset based on (a) if available, the most recent valuation by an external valuer, or (b) if no valuation is available, the assessment by the Dutch tax authorities on the basis of the WOZ at the time of application by the Borrower or (ii) in respect of a Mortgaged Asset to be constructed or in construction at the time of application by the Borrower, the construction costs of such Mortgaged Asset plus the purchase price of the relevant building lot;
	"**Master Definitions Agreement**"	means the master definitions agreement between, amongst others, the Sellers, the Issuer and the Security Trustee dated the Signing Date;
+	"**MiFID II**"	means Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU;
	"**Moody's**"	means Moody's Investors Service Ltd., and includes any successor to its rating business;
	"**Mortgage**"	means a mortgage right (*hypotheekrecht*) securing the relevant Mortgage Receivables;
*	"**Mortgage Calculation Date**"	means a Business Day after the last day of each Mortgage Calculation Period and before the Mortgage Collection Payment Date;
	"**Mortgage Calculation Period**"	means the period commencing on (and including) the first day of each calendar month and ending on (and including) the last day of such calendar month except for the first mortgage calculation period which commences on (and includes) the Cut-Off Date and ends on (and includes) the last day of October 2018;

	"**Mortgage Collection Payment Date**"	means the 5th Business Day of each calendar month;
	"**Mortgage Conditions**"	means the terms and conditions applicable to a Mortgage Loan, as set forth in the relevant mortgage deed and/or in any loan document, offer document or any other document, including any applicable general terms and conditions for mortgage loans as amended or supplemented from time to time;
+	"**Mortgage Credit Directive**"	means Directive 2014/17/EU of the European Parliament and of the Council of 4 February 2014 on credit agreements for consumers relating to residential immovable property and amending Directives 2008/48/EC and 2013/36/EU and Regulation (EU) No 1093/2010.
+	"**Mortgage Loan Amendment**"	means an amendment by the relevant Seller and the relevant Borrower of the terms of a Mortgage Loan as a result of which such Mortgage Loan no longer meets certain criteria set forth in the Mortgage Receivables Purchase Agreement;
	"**Mortgage Loan Criteria**"	means the criteria relating to the Mortgage Loans set forth as such in section 7.3 (*Mortgage Loan Criteria*) of this Prospectus;
	"**Mortgage Loan Services**"	means the services to be provided by the Servicer to the Issuer and the Security Trustee with respect to the Mortgage Loans, as set out in the Servicing Agreement;
	"**Mortgage Loans**"	means the mortgage loans granted by the relevant Originator to the relevant borrowers which may consist of one or more Loan Parts as set forth in the list of loans attached to the Mortgage Receivables Purchase Agreement and, after any purchase and assignment of any New Mortgage Receivables or Further Advance Receivables has taken place in accordance with the Mortgage Receivables Purchase Agreement, the relevant New Mortgage Loans and/or Further Advances, to the extent any and all rights under and in connection therewith are not retransferred or otherwise disposed of by the Issuer;
	"**Mortgage Receivable**"	means any and all rights of the relevant Seller (and after assignment of such rights to the Issuer, of the Issuer) against the Borrower under or in connection with a Mortgage Loan, including any and all claims of the Seller (or the Issuer after assignment) on the Borrower as a result of the Mortgage Loan being terminated, dissolved or declared null and void;
	"**Mortgage Receivables Purchase Agreement**"	means the mortgage receivables purchase agreement between, amongst others, the Sellers, the Issuer and the Security Trustee dated the Signing Date;
	"**Mortgaged Asset**"	means (i) a real property (*onroerende zaak*), (ii) an apartment right (*appartementsrecht*) or (iii) a long lease (*erfpachtsrecht*) situated in the Netherlands on which a Mortgage is vested;
	"**Most Senior Class (of Notes)**"	means such Class of Notes which has not been previously redeemed or written off in full and which ranks higher in priority than any other Class of Notes in the Priority of Payments;
	"**Net Foreclosure Proceeds**"	means (i) the proceeds of a foreclosure on a Mortgage, (ii) the

		proceeds of foreclosure on any other collateral securing the relevant Mortgage Receivable, (iii) the proceeds, if any, of collection of any insurance policy in connection with the relevant Mortgage Receivable, including fire insurance policy and Insurance Policy, (iv) the proceeds of the NHG Guarantee and any other guarantees or sureties and (v) the proceeds of foreclosure on any other assets of the relevant Borrower, in each case after deduction of foreclosure costs in respect of such Mortgage Receivable;
+	"**Net Principal Proceeds**"	has the meaning ascribed thereto in Condition 6(c) (*Redemption*);
	"**New Mortgage Loan**"	means a mortgage loan granted by the relevant Seller to the relevant borrower, which may consist of one or more Loan Parts as set forth in the list of loans attached to any Deed of Assignment and Pledge other than the initial Deed of Assignment and Pledge;
	"**New Mortgage Receivable**"	means the Mortgage Receivable resulting from a New Mortgage Loan;
	"**NHG Conditions**"	means the terms and conditions (voorwaarden en normen) of the NHG Guarantee as set by Stichting WEW and as amended from time to time;
	"**NHG Guarantee**"	means a guarantee (*borgtocht*) under the NHG Conditions granted by Stichting WEW;
	"**NHG Mortgage Loan Receivable**"	means the Mortgage Receivable resulting from an NHG Mortgage Loan;
	"**NHG Mortgage Loan**"	means a Mortgage Loan that has the benefit of an NHG Guarantee;
+	"**NIBC**"	means NIBC Bank N.V. a public company (*naamloze vennootschap)* incorporated under Dutch law and established in 's-Gravenhage, the Netherlands;
+	"**NIBC Direct Hypotheken**"	means NIBC Direct Hypotheken B.V.;
+	"**NIBC Group**"	means NIBC Holding N.V. and its direct and indirect subsidiaries;
	"**Noteholders**"	means the persons who for the time being are the holders of the Notes;
	"**Notes**"	means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes;
	"**Notes and Cash Report**"	means the report which will be published monthly by the Issuer, or the Issuer Administrator on its behalf, and which report will comply with the standard of the DSA;
	"**Notes Calculation Date**"	means, in respect of a Notes Payment Date, the third Business Day prior to such Notes Payment Date;
	"**Notes Calculation Period**"	means, in respect of a Notes Calculation Date, the three successive Mortgage Calculation Periods immediately preceding

		such Notes Calculation Date except for the first Notes Calculation Period which will commence on the Cut-Off Date and ends on and includes the last day of November 2018;
	"**Notes Payment Date**"	means the 25th day of February, May, August and November of each year or, if such day is not a Business Day, the immediately succeeding Business Day unless it would as a result fall in the next calendar month, in which case it will be the Business Day immediately preceding such day;
*	"**Notes Purchase Agreements**"	means the Class A Notes Purchase Agreement and the Subordinated Notes Purchase Agreement;
	"**Optional Redemption Date**"	means any Notes Payment Date from (and including) the First Optional Redemption Date up to (and excluding) the Final Maturity Date;
	"**Original Foreclosure Value**"	means the Foreclosure Value of the Mortgaged Asset as assessed by the relevant Originator at the time of granting the Mortgage Loan;
	"**Original Loan to Original Foreclosure Value Ratio**"	means the ratio calculated by dividing the original principal amount of a Mortgage Receivable at the moment of origination by the Original Foreclosure Value of the Mortgaged Asset;
	"**Original Market Value**"	means the Market Value of the Mortgaged Asset as assessed by the relevant Originator at the time of granting the Mortgage Loan;
	"**Originators**"	means the Sellers;
	"**Other Claim**"	means any claim the relevant Originator and/or Seller, as applicable, has against the Borrower, other than a Mortgage Receivable, which is secured by the Mortgage and/or Borrower Pledge;
	"**Outstanding Principal Amount**"	means, at any moment in time, (i) the outstanding principal amount of a Mortgage Receivable at such time and (ii), after a Realised Loss of the type (a) and (b) in respect of such Mortgage Receivable, zero;
	"**Parallel Debt**"	has the meaning ascribed thereto in section 4.7 (*Security*) of this Prospectus;
	"**Parallel Debt Agreement**"	means the parallel debt agreement between, amongst others, the Issuer, the Security Trustee and the Secured Creditors (other than the Noteholders) dated the Signing Date;
	"**Paying Agency Agreement**"	means the paying agency agreement between the Issuer, the Paying Agent, the Reference Agent and the Security Trustee dated the Signing Date;
	"Paying Agent"	means Citibank;
+	"**PCS Label**"	means the Prime Collateralised Securities label;
	"**Permanent Global Note**"	means a permanent global note in respect of a Class of Notes;
	"**Pledge Agreements**"	means the Issuer Mortgage Receivables Pledge Agreement, the

		Issuer Rights Pledge Agreement and any Deed of Assignment and Pledge;
	"**Pledge Notification Event**"	means any of the events specified in Clause 5.1 of the Issuer Rights Pledge Agreement;
	"Pledged Assets"	means the Mortgage Receivables and the Beneficiary Rights relating thereto and the Issuer Rights;
	"**Post-Enforcement Priority of Payments**"	means the priority of payments as set out as such in section 5.2 (*Priority of Payments*) of this Prospectus;
	"**Prepayment Penalties**"	means any prepayment penalties (*boeterente*) to be paid by a Borrower under a Mortgage Loan as a result of the Mortgage Receivable being repaid (in whole or in part) prior to the maturity date of such Mortgage Loan other than (i) on a date whereon the interest rate is reset or (ii) as otherwise permitted pursuant to the Mortgage Conditions;
+	"**Previous Transaction Security Trustees**"	means Stichting Security Trustee Essence V, Stichting Security Trustee Essence VI, Stichting Security Trustee Essence VII and Stichting Security Trustee NIBC Conditional Pass-Though Covered Bond Company;
+	"**Previous Transaction SPVs**"	means Essence V B.V., Essence VI B.V., Essence VII B.V., NIBC Conditional Pass-Though Covered Bond Company B.V., Largo 2, a compartment of Residential Mortgage Fund, a fonds commun de titrisation à compartiments, Largo 3, a compartment of Residential Mortgage Fund, a fonds commun de titrisation à compartiments, Largo A, a compartment of Residential Mortgage Fund, a fonds commun de titrisation à compartiments, Largo B, a compartment of Residential Mortgage Fund, a fonds commun de titrisation à compartiments, Largo 4, a compartment of Residential Mortgage Fund, a fonds commun de titrisation à compartiments and Largo 5, a compartment of Residential Mortgage Fund, a fonds commun de titrisation à compartiments;
+	"**PRIIPs Regulation**"	means Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs);
	"**Principal Amount Outstanding**"	has the meaning ascribed thereto in Condition 6(c) (*Redemption*);
	"**Principal Deficiency**"	means the debit balance, if any, of the relevant Principal Deficiency Ledger;
	"**Principal Deficiency Ledger**"	means the principal deficiency ledger relating to the relevant Classes of Notes and comprising sub-ledgers for each such Class of Notes;
+	"**Principal Reconciliation Ledger**"	means the ledger specifically created for such purpose on the Issuer Collection Account as set forth in the Administration Agreement;
	"**Principal Shortfall**"	means an amount equal to (i) the balance of the Principal Deficiency Ledger of the relevant Class divided by (ii) the number

		of Notes of the relevant Class of Notes on the relevant Notes Payment Date;
	"**Priority of Payments**"	means any of the Revenue Priority of Payments, the Redemption Priority of Payments and the Post-Enforcement Priority of Payments;
	"**Prospectus**"	means this prospectus dated 28 November 2018 relating to the issue of the Notes;
	"**Prospectus Directive**"	means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended by the Directive 2010/73/EC of the European Parliament and of the Council of 24 November 2010, as the same may be further amended;
	"**Realised Loss**"	has the meaning ascribed thereto in section 5.3 (*Loss Allocation*) of this Prospectus;
	"Receivables Proceeds Distribution Agreement"	means the receivables proceeds distribution agreement between, amongst others, the Issuer, the Security Trustee, the Previous Transaction SPVs, the Previous Transaction Security Trustees, Hypinvest and NIBC Direct Hypotheken and Stichting Ontvangsten Hypotheekgelden dated 1 June 2018;
	"**Redemption Amount**"	means the principal amount redeemable in respect of a Note as described in Condition 6 (*Redemption*);
	"**Redemption Priority of Payments**"	means the priority of payments set out as such in section 5.2 (*Priority of Payments*) of this Prospectus;
	"**Reference Agent**"	means NIBC;
	"**Regulation S**"	means Regulation S of the Securities Act;
*	"**Regulatory Call Option**"	means the option of the Sellers, in accordance with Condition 6(g), to repurchase the Mortgage Receivables upon the occurrence of a Regulatory Change;
	"**Regulatory Change**"	has the meaning ascribed thereto in Condition 6(g) (*Redemption*);
	"**Relevant Class**"	has the meaning ascribed thereto in Condition 10 (*Events of Default*);
	"**Relevant Member State**"	means each member state of the European Economic Area which has implemented the Prospectus Directive;
*	"**Relevant Mortgage Loan**"	means, in relation to the relevant Seller, the Mortgage Loan from which the Relevant Mortgage Receivable results;
+	"**Relevant Mortgage Receivable**"	means, in relation to the relevant Seller, the Mortgage Receivable that it sells to the Issuer;
+	"**Relevant New Mortgage Receivables**"	means, in relation to the relevant Seller, the New Mortgage Receivables that it sells to the Issuer;
	"**Relevant Remedy Period**"	means (a) in case of a loss of the Requisite Credit Rating by Moody's, thirty (30) calendar days and/or (b) in case of a loss of

		the Requisite Credit Rating by Fitch, fourteen (14) calendar days;
+	"**Replacement Reference Rate**"	has the meaning ascribed thereto in Condition 4(j) (*Replacement Reference Rate*);
	"**Requisite Credit Rating**"	means the rating of (i) 'Prime-1' (short-term) by Moody's and (ii) 'F-1' (short-term issuer default rating) and 'A' (long-term issuer default rating) by Fitch;
	"**Reserve Account**"	means the bank account of the Issuer, designated as such in the Issuer Account Agreement;
	"**Reserve Account Target Level**"	means on any Notes Calculation Date a level equal (i) to the higher of (a) 0.99 per cent. of the Principal Amount Outstanding of the Notes, other than the Class E Notes, at the Closing Date and (b) the aggregate Outstanding Principal Amount of the Mortgage Receivables in respect of which the amount in arrears exceeds three monthly payments or (ii) zero, on the Notes Payment Date on which the Notes have been or are to be redeemed in full, except for principal in respect of the Class E Notes;
	"**Revenue Priority of Payments**"	means the priority of payments set out as such in section 5.2 (*Priority of Payments*) of this Prospectus;
	"**Risk Insurance Policy**"	means the risk insurance (*risicoverzekering*) which pays out upon the death of the life insured, taken out by a Borrower with any of the Insurance Companies;
	"**RMBS Standard**"	means the residential mortgage-backed securities standard created by the DSA, as amended from time to time;
	"**Secured Creditors**"	means (i) the Directors, (ii) the Servicer, (iii) the Issuer Administrator, (iv) the Paying Agent, (v) the Reference Agent, (vi) the Cash Advance Facility Provider, (vii) the Swap Counterparty, (viii) the Issuer Account Bank, (ix) the Noteholders and (x) each Seller;
	"**Securities Act**"	means the United States Securities Act of 1933 (as amended);
+	"**Securitisation Regulation**"	means Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012;
	"**Security**"	means any and all security interest created pursuant to the Pledge Agreements;
	"**Security Trustee**"	means Stichting Security Trustee Dutch MBS XIX, a foundation (*stichting*) organised under Dutch law and established in Amsterdam, the Netherlands;
	"**Security Trustee Director**"	means TMF Management B.V.;
	"**Security Trustee Management Agreement**"	means the security trustee management agreement between the Security Trustee, the Security Trustee Director and the Issuer dated the Signing Date;

	"**Sellers**"	means any of (i) Hypinvest and (ii) NIBC Direct Hypotheken;
+	"**Sellers Clean-Up Call Option**"	means, on any Notes Payment Date, the option (but not the obligation) of the Sellers, acting jointly, to repurchase the Mortgage Receivables if on the Notes Calculation Date immediately preceding such Notes Payment Date the aggregate Outstanding Principal Amount of the Mortgage Receivables is not more than 10 per cent. of the aggregate Outstanding Principal Amount of the Mortgage Receivables on the Closing Date;
	"**Servicer**"	means NIBC;
+	**"Services"**	means the Mortgage Loan Services and the Issuer Services;
	"**Servicing Agreement**"	means the servicing agreement between the Servicer, the Issuer and the Security Trustee dated the Signing Date;
	"**Shareholder**"	means Stichting Dutch MBS XIX Holding, a foundation (*stichting*) organised under Dutch law and established in Amsterdam, the Netherlands;
	"**Shareholder Director**"	means Intertrust Management B.V.;
	"**Shareholder Management Agreement**"	means the shareholder management agreement between the Shareholder, the Shareholder Director and the Security Trustee dated the Signing Date;
	"**Signing Date**"	means 27 November 2018 or such later date as may be agreed between the Issuer and NIBC;
	"**Solvency II**"	means Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of Insurance and Reinsurance;
	"**Solvency II Regulation**"	means Commission Delegated Regulation (EU) 2015/35 of 10 October 2014 supplementing Directive 2009/138/EC of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance;
+	"**Special Measures Financial Institutions Act**"	means the *Wet bijzondere maatregelen financiële ondernemingen;*
+	"**SRM Regulation**"	means Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010;
+	"**Stater**"	means Stater Nederland B.V.;
	"**Stichting WEW**"	means Stichting Waarborgfonds Eigen Woningen;
+	"**STS Securitisation**"	means a securitisation which complies with the criteria for simple, transparent and standardised securitisations (including articles 19 up to and including 22) of the Securitisation Regulation;

	"**Subordinated Notes**"	means the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes;
+	"**Subordinated Notes Manager**"	means NIBC;
+	"**Subordinated Notes Purchase Agreement**"	means the notes purchase agreement between the Subordinated Notes Manager, the Issuer and the Sellers dated the Signing Date;
	"**Sub-servicer**"	means Stater Nederland B.V. or any subsequent sub-agent of the Servicer;
+	"**Substitution Available Amount"**	means, at any Notes Calculation Date up to, but excluding, the Notes Calculation Date immediately preceding the Final Maturity Date, any amounts received by the Issuer as a result of a repurchase of Mortgage Receivables by the relevant Seller or the Sellers, as the case may be, other than in case of a repurchase of all Mortgage Receivables to the extent such amounts relate to principal during the immediately preceding Notes Calculation Period;
+	"**Substitution Conditions**"	means the conditions specified as such in 7.4 (*Portfolio Conditions*) of this Prospectus;
	"**Swap Agreement**"	means the swap agreement (documented under a 1992 ISDA master agreement, including the schedule thereto, a credit support annex and a confirmation) between the Issuer, the Swap Counterparty and the Security Trustee dated the Signing Date;
	"**Swap Collateral**"	means, at any time, any asset (including cash and/or securities) which is paid or transferred by the Swap Counterparty to the Issuer as collateral to secure the performance by the Swap Counterparty of its obligations under the Swap Agreement together with any income or distributions received in respect of such asset and any equivalent of such asset into which such asset is transformed;
	"**Swap Collateral Account**"	means the bank account of the Issuer designated as such in the Issuer Account Agreement and any further account opened to hold Swap Collateral in the form of cash;
	"**Swap Counterparty**"	means ING Bank N.V.;
	"**Swap Counterparty Subordinated Payment**"	means any termination payment due and payable as a result of the occurrence of (i) a Swap Event of Default where the Swap Counterparty is the Defaulting Party or (ii) an Additional Termination Event arising pursuant to the occurrence of a Rating Event (all as defined in the Swap Agreement);
+	"**Swap Event of Default**"	means an event of default as defined in the Swap Agreement;
+	"**Swap Required Ratings**"	means the rating of the Swap Counterparty as required pursuant to the Swap Agreement without (a) the Swap Counterparty being required to post collateral and which are in line with the criteria of the Credit Rating Agencies on the Closing Date and which are (i) 'A3' (cr) by Moody's and (ii) for as long as the Class A Notes are assigned an AAA(sf) by Fitch, 'F-1' (short-term issuer default

		rating) or 'A' (long-term issuer default rating) by Fitch and (b) the Swap Counterparty being required to arrange for its obligations to be transferred and which are in line with the criteria of the Credit Rating Agencies on the Closing Date and which are (i) 'Baa1' (cr) by Moody's and (ii) for as long at the Class A Notes are assigned an AAA(sf) by Fitch, 'F-3' (short-term issuer default rating) or 'BBB-' (long-term issuer default rating) by Fitch;
	"**Swap Transaction**"	means any of the swap transactions entered into under the Swap Agreement;
	"**TARGET 2**"	means the Trans-European Automated Real-Time Gross Settlement Express Transfer 2 System;
	"**TARGET 2 Settlement Day**"	means any day on which TARGET 2 is open for the settlement of payments in euro;
*	"**Tax Call Option**"	means the option of the Issuer, in accordance with Condition 6(h), to redeem all (but not some only) of the Notes on any Notes Payment Date at their Principal Amount Outstanding, together with interest accrued up to and including the date of redemption, subject to, in respect of the Subordinated Notes, Condition 9(b);
	"**Tax Event**"	means any change in tax law, after the date of the Swap Agreement, due to which the Swap Counterparty will, or there is a substantial likelihood that it will, be required to pay to the Issuer additional amounts for or on account of tax;
	"**Temporary Global Note**"	means a temporary global note in respect of a Class of Notes;
	"**Transaction Documents**"	means the Master Definitions Agreement, the Mortgage Receivables Purchase Agreement, the Deeds of Assignment and Pledge, the Administration Agreement, the Swap Agreement, the Issuer Account Agreement, the Cash Advance Facility Agreement, the Servicing Agreement, the Pledge Agreements, the Notes Purchase Agreements, the Parallel Debt Agreement, the Notes, the Paying Agency Agreement, the Management Agreements, the Stater Personal Data Release Letter, the Collection Foundation Agreements and the Trust Deed;
	"**Trust Deed**"	means the trust deed entered into by, amongst others, the Issuer and the Security Trustee dated the Signing Date;
	"**Unit-Linked Alternative**"	has the meaning ascribed thereto in section 1.6 (*Portfolio Information*) in section 1 (*Transaction Overview*) of this Prospectus;
+	**U.S. Risk Retention Persons**	means "U.S. persons" as defined in the U.S. Risk Retention Rules;
+	**U.S. Risk Retention Rules**	means Regulation RR (17 C.F.R Part 246) implementing the risk retention requirements of Section 15G of the U.S. Securities Exchange Act of 1934, as amended;
	"**Wft**"	means the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) and its subordinate and implementing decrees and regulations as amended from time to time;

	"**Wge**"	means the Dutch Securities Giro Transfer Act (*Wet giraal effectenverkeer*); and
	"**WOZ**"	means the Valuation of Immovable Property Act (*Wet waardering onroerende zaken*) as amended from time to time.

9.2 INTERPRETATION

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

2.2 Any reference in this Prospectus to:

an "**Act**" or a "**statute**" or "**treaty**" shall be construed as a reference to such Act, statute or treaty as the same may have been, or may from time to time be, amended or, in the case of an Act or a statute, re-enacted;

"**this Agreement**" or an "**Agreement**" or "**this Deed**" or a "**deed**" or a "**Deed**" or a "**Transaction Document**" or any of the Transaction Documents (however referred to or defined) shall be construed as a reference to such document or agreement as the same may be amended, supplemented, restated, novated or otherwise modified from time to time;

a "**Class**" of Notes shall be construed as a reference to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes, as applicable;

a "**Class A**", "**Class B**", "**Class C**", "**Class D**" or "**Class E**" Noteholder, Principal Deficiency, Principal Deficiency Ledger, Redemption Amount, Temporary Global Note or Permanent Global Note shall be construed as a reference to a Noteholder of, or a Principal Deficiency, the Principal Deficiency Ledger or a Redemption Amount pertaining to, as applicable, the relevant Class of Notes;

"**encumbrance**" includes any mortgage, charge or pledge or other limited right (*beperkt recht*) securing any obligation of any person, or any other arrangement having a similar effect;

"**Euroclear**" and/or "**Clearstream, Luxembourg**" includes any additional or alternative clearing system approved by the Issuer, the Security Trustee and the Paying Agent and permitted to hold the Temporary Global Notes and the Permanent Global Notes, provided that such alternative clearing system must be authorised to hold the Temporary Global Notes and the Permanent Global Notes as eligible collateral for Eurosystem monetary policy and intra-day credit operations;

the "**records of Euroclear and Clearstream, Luxembourg**" are to the records that each of Euroclear and Clearstream, Luxembourg holds for its customers which reflect the amount of such customers' interests in the Notes;

"**foreclosure**" includes any lawful manner of generating proceeds from collateral whether by public auction, by private sale or otherwise;

"**holder**" means the bearer of a Note and related expressions shall (where appropriate) be construed accordingly;

"**including**" or "**include**" shall be construed as a reference to "**including without limitation**" or "**include without limitation**", respectively;

"**indebtedness**" shall be construed so as to include any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

a "**law**" or "**directive**" or "**regulation**" shall be construed as any law (including common or customary law), statute, constitution, decree, judgement, treaty, regulation, directive, bye-law, order or any other legislative measure of any government, supranational, local government, statutory or regulatory body or court and shall be construed as a reference to such law, statute or treaty as the same may have been, or may from time to time be, amended;

a "**month**" means a period beginning in one calendar month and ending in the next calendar month on the day numerically corresponding to the day of the calendar month on which it commences or, where there is no date in the next calendar month numerically corresponding as aforesaid, the last day of such calendar month, and "months" and "monthly" shall be construed accordingly;

the "**Notes**", the "**Conditions**", any "**Transaction Document**" or any other agreement or document shall be construed as a reference to the Notes, the Conditions, such Transaction Document or, as the case may be, such other agreement or document as the same may have been, or may from time to time be, amended, restated, varied, novated, supplemented or replaced;

a "**person**" shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing or any successor or successors of such party;

a reference to "**suspension of payments**" or "**moratorium of payments**" shall, where applicable, be deemed to include a reference to the suspension of payments (*surseance van betaling*) as meant in the Dutch Bankruptcy Act (*Faillissementswet*) or any emergency regulation (*noodregeling*) on the basis of the Wft; and, in respect of a private individual, any debt restructuring scheme (*schuldsanering natuurlijke personen*);

"**principal**" shall be construed as the English translation of "*hoofdsom*" or, if the context so requires, "*pro resto hoofdsom*" and, where applicable, shall include premium;

"**repay**", "**redeem**" and "**pay**" shall each include both of the others and "**repaid**", "**repayable**" and "**repayment**", "**redeemed**", "**redeemable**" and "**redemption**" and "**paid**", "**payable**" and "**payment**" shall be construed accordingly;

a "**statute**" or "**treaty**" shall be construed as a reference to such statute or treaty as the same may have been, or may from time to time be, amended or, in the case of a statute, re-enacted;

a "**successor**" of any party shall be construed so as to include an assignee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party under a Transaction Document or to which, under such laws, such rights and obligations have been transferred;

any "**Transaction Party**" or "**party**" or a party to any Transaction Document (however referred to or defined) shall be construed so as to include its successors and transferees and any subsequent successors and transferees in accordance with their respective interests; and

2.3 In this Prospectus, save where the context otherwise requires, words importing the singular number include the plural and *vice versa*.

2.4 Headings used in this Prospectus are for ease of reference only and do not affect the interpretation of this Prospectus.

10. REGISTERED OFFICES

THE ISSUER
Dutch MBS XIX B.V.
Prins Bernhardplein 200
1097 JB Amsterdam
The Netherlands

SELLERS
c/o NIBC Bank N.V.
Carnegieplein 4
2517 KJ 's Gravenhage
The Netherlands

SECURITY TRUSTEE
Stichting Security Trustee Dutch MBS XIX
Herikerbergweg 238 Luna ArenA
1101 CM Amsterdam
The Netherlands

SERVICER, ISSUER ADMINISTRATOR AND LISTING AGENT
NIBC Bank N.V.
Carnegieplein 4
2517 KJ 's Gravenhage
The Netherlands

PAYING AGENT
Citibank, N.A., London Branch
Citigroup Centre
Canada Square
London E14 5LB
United Kingdom

SUB SERVICER
Stater Nederland B.V.
Podium 13826 PA Amersfoort
The Netherlands

LEGAL AND TAX ADVISERS TO THE SELLERS AND THE ISSUER
NautaDutilh N.V.
Beethovenstraat 400
1082 PR Amsterdam
The Netherlands

LEGAL ADVISERS TO THE MANAGERS
Simmons & Simmons LLP
Claude Debussylaan 247
1082 MC Amsterdam
The Netherlands

AUDITORS

KPMG Accountants N.V.
Laan van Langerhuize 1
1186 DS Amstelveen
The Netherlands

ISSUER ACCOUNT BANK

Société Générale S.A., Amsterdam Branch.
Rembrandt Tower
Amstelplein 1
1096 HA Amsterdam
The Netherlands

SWAP COUNTERPARTY AND CASH ADVANCE FACILITY PROVIDER

ING Bank N.V.
Bijlmerplein 888
1102 MG Amsterdam
The Netherlands

COMMON SAFEKEEPER

In respect of the Class A Notes

Euroclear Bank S.A./N.V.
1 Boulevard du Roi Albert II
1210 Brussels
Belgium

In respect of the Subordinated Notes

Citibank, N.A., London Branch
Citigroup Centre
Canada Square
London E14 5LB
United Kingdom

MANAGERS

NIBC Bank N.V.
Carnegieplein 4
2517 KJ 's Gravenhage
The Netherlands

ING Bank N.V.
Bijlmerplein 888
1102 MG Amsterdam
The Netherlands

Coöperatieve Rabobank U.A.
Croeselaan 18
3521 CB Utrecht
The Netherlands

Société Générale S.A.
29 Boulevard Haussmann
75009 Paris
France