Prospectus, dated 17 June 2010

HOLLAND MORTGAGE BACKED SERIES (HERMES) XV B.V.

(incorporated with limited liability in the Netherlands)

euro 1,500,000,000 Senior Class A Mortgage-Backed Floating Rate Notes 2010 due 2042, issue price 100 per cent.
euro 18,350,000 Junior Class D Mortgage-Backed Floating Rate Notes 2010 due 2042, issue price 100 per cent.

Application has been made to list the euro 1,500,000,000 Senior Class A Mortgage-Backed Floating Rate Notes 2010 due 2042 (the "**Senior Class A Notes**") and the euro 18,350,000 Junior Class D Mortgage-Backed Floating Rate Notes 2010 due 2042 (the "**New Junior Class D Notes**", and together with the Senior Class A Notes, the "**New Notes**") to be issued by Holland Mortgage Backed Series (Hermes) XV B.V. (the "**Issuer**"), on Euronext Amsterdam by NYSE Euronext ("**Euronext Amsterdam**"). This Prospectus has been approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*). The New Notes are expected to be issued and admitted to trading on 18 June 2010.

The New Notes will carry a floating rate of interest, payable quarterly in arrear on each Payment Date. The rate of interest for the Notes will be three months Euribor (or, in respect of the first Interest Period, the Euribor rate for one month deposits in euro), plus a margin per annum, which will be 1.30 per cent. for the Senior Class A Notes and 1.80 per cent. for the New Junior Class D Notes. On the Payment Date falling in April 2015 (the "**Step-Up Date**"), the margin of the Senior Class A Notes will be reset to 2.60 per cent. per annum, and the margin of the New Junior Class D Notes will be reset to 2.70 per cent. per annum, subject to and in accordance with the Terms and Conditions of the Notes (the "**Conditions**").

The Notes are scheduled to mature on the Payment Date falling in April 2042. On each Payment Date, the Notes will be subject to mandatory redemption (in whole or in part) in the circumstances set out in, and subject to, and in accordance with, the Conditions. On the Payment Date falling in April 2015 and on each Payment Date thereafter (each an "**Optional Redemption Date**"), the Issuer will have the option to redeem all (but not some only) of the Notes at their Principal Amount Outstanding, subject to and in accordance with the Conditions. In addition, the Notes will, on each Payment Date falling after the Step-Up Date, be subject to further mandatory partial redemption in the circumstances set out in, and subject to and in accordance with the Conditions. In the event of certain tax changes affecting the Notes, the Issuer has the option to redeem all of the Notes (in whole but not some only subject to and in accordance with the Conditions.

It is a condition precedent to issuance that the Senior Class A Notes, on issue, be assigned a "Aaa" rating by Moody's Investors Service Limited ("**Moody's**") and a "AAA" rating by Fitch Ratings Limited ("**Fitch**", and together with Moody's, the "**Rating Agencies**") and the New Junior Class D Notes be assigned at least a "Ba1" rating by Moody's and at least a "BBB+" rating by Fitch. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time. For a discussion of some of the risks associated with an investment in the Notes, see *Risk Factors* herein.

On 30 May 2008 (the "**Initial Closing Date**") the Issuer has issued euro 2,752,100,000 Senior Class A Mortgaged-Backed Notes 2008 due 2042 (the "**Old Senior Class A Notes**"), the euro 23,200,000 Mezzanine Class B Mortgage-Backed Floating Rate Notes 2008 due 2042 (the "**Mezzanine Class B Notes**"), the euro 78,300,000 Mezzanine Class C Mortgage-Backed Floating Rate Notes 2008 due 2042 (the "**Mezzanine Class C Notes**"), the euro 20,300,000 Junior Class D Mortgage-Backed Floating Rate Notes 2008 due 2042 (the "**Old Junior Class D Notes**" and together with the New Junior Class D Notes, the "**Junior Class D Notes**"), and the euro 26,100,000 Subordinated Class E Mortgage-Backed Floating Rate Notes 2008 due 2042 (the "**Subordinated Class E Notes**" and together with the Senior Class A Notes, Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes, the "**Notes**"). The New Junior Class D Notes will be fungible with the Old Junior Class D Notes. The Old Senior Class A Notes will be fully redeemed by the Issuer and the Mezzanine Class B Notes and the Mezzanine Class C Notes will be partially redeemed on 18 June 2010 (the "**Closing Date**") by applying (i) the net proceeds of the issue of the New Notes and (ii) the proceeds of a sale of part of the Mortgage Receivables, as further described herein.

The New Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and include New Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, the New Notes may not be offered, sold or delivered within the United States or to U.S. persons (as defined in Regulation S of the Securities Act ("**Regulation S**"). For a more complete description of restrictions on offers and sales and applicable U.S. tax law requirements see ***"Purchase and Sale".***

The New Notes will be (indirectly) secured by a right of pledge over the Mortgage Receivables and the Beneficiary Rights relating thereto vested by the Issuer in favour of Stichting Security Trustee Holland Mortgage Backed Series (Hermes) XV (the "**Security Trustee**") and a right of pledge vested by the Issuer in favour of the Security Trustee over all rights of the Issuer under or in connection with most of the Relevant Documents.

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

Notes") as described in the Conditions. The expression "**Global Notes**" means the Temporary Global Note of each Class and the Permanent Global Note of each Class and the expression "**Global Note**" means each Temporary Global Note or each Permanent Global Note, as the context may require.

The New Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the New Notes are intended upon issue to be deposited with one of the International Central Securities Depositories (the "**ICSDs**") as common safekeeper and does not necessarily mean that the New 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 New Notes will be solely the obligations of the Issuer. The New Notes will not be the obligations or responsibilities of, or guaranteed by, any other entity or person, in whatever capacity acting, including, without limitation, each Seller, the Cash Advance Facility Provider, the Savings Insurance Company, the Swap Counterparty, the Pool Servicers, the Issuer Administrator, the Directors, the Paying Agent, the Reference Agent, the Managers, the Arranger, the Floating Rate GIC Provider and the Security Trustee, in whatever capacity acting. Furthermore, none of the Sellers, the Cash Advance Facility Provider, the Savings Insurance Company, the Swap Counterparty, the Pool Servicers, the Issuer Administrator, the Directors, the Paying Agent, the Reference Agent, the Managers, the Arranger, the Floating Rate GIC Provider and the Security Trustee, nor any other person in whatever capacity acting, will accept any liability whatsoever to the New Noteholders in respect of any failure by the Issuer to pay any amounts due under the New Notes. None of the Sellers, the Cash Advance Facility Provider, the Savings Insurance Company, the Swap Counterparty, the Pool Servicers, the Issuer Administrator, the Directors, the Paying Agent, the Reference Agent, the Managers, the Arranger, the Floating Rate GIC Provider and the Security Trustee will be under any obligation whatsoever to provide additional funds to the Issuer (save in the limited circumstances pursuant to the Relevant Documents).

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

Arranger
Deutsche Bank A.G.

Senior Class A Manager
Deutsche Bank A.G.

Junior Class D Manager
SNS Bank N.V.

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SUMMARY

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

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

The Issuer

Holland Mortgage Backed Series (Hermes) XV B.V. is incorporated on 14 April 2008 under the laws of the Netherlands as a private company with limited liability ("*besloten vennootschap met beperkte aansprakelijkheid*") under number 34299745. The Issuer is registered with the Commercial Register of the Chamber of Commerce of Amsterdam. The entire issued share capital of the Issuer is owned by Stichting Holding Mortgage Backed Series (Hermes) XV. The Issuer is established to purchase the Mortgage Receivables and to issue the Notes.

The transaction

The Issuer on the Initial Closing Date and on each Payment Date thereafter purchased and accepted the assignment of the Relevant Mortgage Receivables and the Beneficiary Rights relating thereto by means of a registered deed of assignment as a result of which legal title to the Relevant Mortgage Receivables and the Beneficiary Rights relating thereto is transferred to the Issuer. Furthermore, the Issuer issued on the Initial Closing Date the Old Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Old Junior Class D Notes and the Subordinated Class E Notes and used the net proceeds thereof to pay to the relevant Seller (part of) the Initial Purchase Price for the Mortgage Receivables, pursuant to the Mortgage Receivables Purchase Agreement. In addition, the Issuer pays the Deferred Purchase Price to the Sellers, which is to be paid on each Payment Date in Deferred Purchase Price Instalments, if any (see further the section *Mortgage Receivables Purchase Agreement* starting on page 72 below).

Restructuring of the transaction

This transaction will be restructured as follows. On the Closing Date, the Issuer will issue the New Notes and will sell part of the Relevant Mortgage Receivables with an aggregate Outstanding Principal Amount of euro 1,281,850,000 to the relevant Sellers. The net proceeds of the issue of the New Notes and the proceeds of the sale of the Mortgage Receivables will be applied (i) to redeem the Old Senior Class A Notes in full and (ii) to partially redeem, on a pro rata basis, the Mezzanine Class B Notes and the Mezzanine Class C Notes on the Closing Date. The New Junior Class D Notes will be fungible with the Old Junior Class D Notes. As a consequence of the restructuring on the Closing Date the Principal Amount Outstanding (i) of the Mezzanine Class B Notes will be euro 9,750,000, (ii) of the Mezzanine Class C Notes will be euro 43,650,000, (iii) of the Junior Class D Notes will be euro 38,650,000 and (iv) of the Subordinated Class E Notes will be euro 26,100,000. Further to noteholders' resolutions for each Class of Notes dated on or about 14 June 2010, the holders of the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Old Junior Class D Notes and the Subordinated Class E Notes have agreed that the terms and conditions applicable to the relevant Notes will be amended and restated in accordance with the Conditions set out herein. See *Terms and Conditions of the Notes*.

Transaction Documents

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, the Sub-Participation Agreement and the Floating Rate GIC, to make payments of, *inter alia*, principal and interest due in respect of the Notes. The obligations of the Issuer in respect of the Notes, will rank below the obligations of the Issuer in respect of certain items set forth in the applicable priority of payments (see *Credit Structure*) and the right to payment of interest and principal on the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes and the Subordinated Class E

Notes will be subordinated to the Senior Class A Notes and limited as more fully described herein under *Credit Structure* and *Terms and Conditions of the Notes*.

Pursuant to the Cash Advance Facility Agreement the Issuer will be entitled to make drawings if, without taking into account any drawing under the Cash Advance Facility, there is a shortfall in the Interest Available Amount to meet certain items of the Interest Priority of Payments in full (see the section *Credit Structure* starting on page 43 below).

Pursuant to the Floating Rate GIC, the Floating Rate GIC Provider will agree to pay a guaranteed rate of interest determined by reference to Euribor on the balance standing from time to time to the credit of the Floating Rate GIC Account (see the section *Credit Structure* starting on page 43 below).

Pursuant to the Administration Agreement, the relevant Pool Servicer will – *inter alia* – (i) provide administration and management services to the Issuer on a day-to-day basis in relation to the Mortgage Loans and the Relevant Mortgage Receivables, including, without limitation, the collection and recording of payments of principal, interest and other amounts in respect of the Relevant Mortgage Receivables and the implementation of arrears procedures including the enforcement of mortgage rights; (ii) communicate with the relevant Borrowers and (iii) investigate payment delinquencies. Furthermore, the Issuer Administrator will provide certain administration, calculation and cash management services to the Issuer (see *Administration Agreement* on page 81 below and *Mortgage Administration* in *Sellers* and *Residential Mortgage Business* on page 63 below).

To hedge the risk between the rate of interest to be received by the Issuer on the Mortgage Receivables and the rate of interest payable by the Issuer on the Notes, the Issuer will enter into the Swap Agreement (see *Credit Structure* starting on page 43 below).

Security

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

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

The Trust Deed sets out the priority of the claims of the Secured Parties. For a more detailed description see *Credit Structure* starting on page 43 and *Description of Security* starting on page 85 below.

Interest on the New Notes

The New Notes will carry a floating rate of interest, payable quarterly in arrear on each Payment Date. The rate of interest for the Notes will be three months Euribor (or, in respect of the first Interest Period, the rate of Euribor for one month deposits in euro) plus a margin per annum. On the Step-Up Date the margin on the New Notes will be reset, subject to and in accordance with the Conditions.

Redemption of the New Notes

Unless previously redeemed, the Issuer will, subject to Condition 9(b), redeem all of the New Notes at their respective Principal Amount Outstanding on the Payment Date falling in April 2042.

On each Payment Date, the Issuer will be obliged to apply the Redemption Available Amount, which broadly consists of all amounts of principal received (i) as repayment or pre-payment on the Mortgage Receivables or (ii) in connection with a repurchase or sale of the Mortgage Receivables, to (partially) redeem the New Notes, sequentially starting with the Senior Class A Notes, until fully redeemed. If the Notes have not been redeemed in full on the Step-Up Date, the Issuer will furthermore be obliged to apply certain limited amounts forming part of the Interest Available Amount to (partially) redeem the

New Notes, sequentially starting with the Senior Class A Notes.

The Issuer will have the option to redeem all of the New Notes but not some only, on each Optional Redemption Date at their Principal Amount Outstanding, subject, in the case of the New Junior Class D Notes, to Condition 9(b). Also, the Issuer will have the option to redeem the New Notes for tax reasons. Also, the Issuer will redeem the New Notes subject to and in accordance with Conditions 6(f) and 9(b) if the Clean-Up Call Option is exercised.

Listing
Application has been made to list the New Notes on Euronext Amsterdam.

Rating
It is a condition precedent to issuance that the Senior Class A Notes, on issue, be assigned a "Aaa" rating by Moody's and a "AAA" rating by Fitch and the New Junior Class D Notes, on issue, be assigned at least a "Ba1" rating by Moody's and a "BBB+" rating by Fitch..

Risk factors
There are certain factors which prospective Noteholders should take into account. These risk factors relate to, *inter alia*, the New Notes such as (but not limited to) the fact that the liabilities of the Issuer under the New Notes are limited recourse obligations whereby the ability of the Issuer to meet such obligations will be dependent on the receipt by it of funds under the Mortgage Receivables, the proceeds of the sale of any Mortgage Receivables and the receipt by it of other funds. Despite certain facilities, there remains a credit risk, liquidity risk, prepayment risk, maturity risk and interest rate risk relating to the Notes. Moreover, there are certain structural and legal risks relating to the Mortgage Receivables (see *Risk Factors* below).

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the New 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 New Notes are also described below. The Issuer believes that the factors described below represent the material risks inherent in investing in the New Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the New 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 New Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus, including, without limitation, the section Overview of the Dutch Residential Mortgage Market, and reach their own views prior to making any investment decision.

RISK FACTORS REGARDING THE ISSUER

The New Notes will be solely the obligations of the Issuer

The New Notes will be solely the obligations of the Issuer. The New 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 Savings Insurance Company, the Swap Counterparty, the Pool Servicers, the Issuer Administrator, the Directors, the Paying Agent, the Reference Agent, the Managers, the Arranger, the Floating Rate GIC Provider and the Security Trustee, in whatever capacity acting. Furthermore, none of the Sellers, the Cash Advance Facility Provider, the Savings Insurance Company, the Swap Counterparty, the Pool Servicers, the Issuer Administrator, the Directors, the Paying Agent, the Reference Agent, the Managers, the Arranger, the Floating Rate GIC Provider and the Security Trustee, nor any other person in whatever capacity acting, will accept any liability whatsoever to Noteholders in respect of any failure by the Issuer to pay any amounts due under the New Notes. None of the Sellers, the Cash Advance Facility Provider, the Savings Insurance Company, the Swap Counterparty, the Pool Servicers, the Issuer Administrator, the Directors, the Paying Agent, the Reference Agent, the Managers, the Arranger, the Floating Rate GIC Provider and the Security Trustee will be under any obligation whatsoever to provide additional funds to the Issuer (save in the limited circumstances pursuant to the Relevant Documents).

The Issuer has limited resources available to meet its obligations

The ability of the Issuer to meet its obligations in full to pay principal of and interest on the New Notes will be dependent on the receipt by it of funds under the Mortgage Receivables, the proceeds of the sale of any Mortgage Receivables, the receipt by it of payments under the Swap Agreement, drawings under the Cash Advance Facility and the receipt by it of interest in respect of the balance standing to the credit of the Floating Rate GIC Account. See *Credit Structure* starting on page 43 below. The Issuer does not have any other resources available to it to meet its obligations under the New Notes.

The Issuer has counterparty risk exposure

Counterparties to the Issuer may not perform their obligations under the Relevant Documents, which may result in the Issuer not being able to meet its obligations under the New Notes. It should be noted that there is a risk that (a) SNS Bank in its capacity as Seller, Pool Servicer and Issuer Administrator will not meet its obligations vis-à-vis the Issuer, (b) BLG Hypotheekbank and SNS Regio Bank in their capacities as Sellers and Pool Servicers will not meet its obligations vis-à-vis the Issuer, (c) Rabobank in its capacity as Floating Rate GIC Provider will not meet its obligations vis-à-vis the Issuer, (d) BNP Paribas in its capacity as Cash Advance Facility Provider will not meet its obligations vis-à-vis the Issuer, (e) Deutsche Bank A.G., London Branch in its capacity as Swap Counterparty will not meet its obligations vis-à-vis the Issuer, (f) The Royal Bank of Scotland N.V. as Paying Agent and Reference Agent will not perform its obligations under the Paying Agency Agreement, (g) SRLEV N.V. as Savings Insurance Company will not perform its obligations under the Sub-Participation Agreement, (h) ANT Trust & Corporate Services N.V., ATC Management B.V. and ATC Corporate Services (Netherlands) B.V. will not perform their respective obligations under the relevant Management Agreements and (i) each of the Managers will not perform its obligations under the relevant Notes

Purchase Agreement.

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

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

Risks related to the creation of pledges on the basis of the Parallel Debt
Under Netherlands law it is uncertain whether a security right can be validly created in favour of a party which is not the creditor of the claim which the security right purports to secure. Consequently, in order to secure the valid creation of the pledges under the Pledge Agreements in favour of the Security Trustee, the Issuer has in the Parallel Debt Agreement, as a separate and independent obligation, by way of parallel debt, undertaken to pay to the Security Trustee amounts equal to the amounts due by it to the Secured Parties. There is no statutory law or case law available on the concept of parallel debts such as the Parallel Debt and the question whether a parallel debt constitutes a valid basis for the creation of security rights, such as rights of pledge (see also *Description of Security* starting on page 85 below). However, the Issuer has been advised that a parallel debt, such as the Parallel Debt, creates a claim of the Security Trustee thereunder which can be validly secured by a right of pledge such as the rights of pledge created by the Security Trustee Receivables Pledge Agreement and the Security Trustee Assets Pledge Agreement.

Any payments in respect of the Parallel Debt and any proceeds received by the Security Trustee are, in the case of an insolvency of the Security Trustee, not separated from the Security Trustee's other assets. The Secured Parties therefore have a credit risk on the Security Trustee. The Security Trustee has been structured as bankruptcy-remote entity and is, therefore, unlikely to become insolvent.

License requirement under the Wft
Under the Netherlands Act on Financial Supervision as amended from time to time ("*Wet op het financieel toezicht*" or "*Wft*"), which entered into force on 1 January 2007, a special purpose vehicle which services ("*beheert*") and administers ("*uitvoert*") loans granted to consumers, such as the Issuer, must have a license under the Wft. An exemption from the license requirement is available, if the special purpose vehicle outsources the servicing of the loans and the administration thereof to an entity holding a license under the Wft. The Issuer has outsourced the servicing and administration of the Mortgage Loans to the relevant Pool Servicer. Each Pool Servicer holds a license as intermediary ("*bemiddelaar*") and offeror of credit ("*aanbieder van krediet*") under the Wft and the Issuer thus benefits from the exemption. However, if the Administration Agreement is terminated, the Issuer will need to outsource the servicing and administration of the Mortgage Loans to another licensed entity or

it needs to apply for and hold a license itself. In the latter case, the Issuer will have to comply with the applicable requirements under the Wft. If the Administration Agreement is terminated and the Issuer has not outsourced the servicing and administration of the Mortgage Loans to a licensed entity and, in such case, it will not hold a license itself, the Issuer will have to terminate its activities and settle ("*afwikkelen*") its existing agreements, which may ultimately result in the early redemption of the New Notes.

Risk related to the termination of the Swap Agreement

The Swap Counterparty will be obliged to make payments under the Swap Agreement without any withholding or deduction of taxes unless required by law. If any such withholding or deduction is required by law, the Swap Counterparty will be required to pay such additional amount as is necessary to ensure that the net amount actually received by the Issuer will equal the full amount that the Issuer would have received had no such withholding or deduction been required. The Swap Agreement will provide, however, that if due to (i) action taken by a relevant taxing authority or brought in a court of competent jurisdiction, or (ii) any change in tax law, in both cases after the date of the Swap Agreement, the Swap Counterparty will, or there is a substantial likelihood that it will, be required to pay to the Issuer additional amounts for or on account of tax (a "**Tax Event**"), the Swap Counterparty may transfer its rights and obligations to another of its offices, branches or affiliates to avoid the relevant Tax Event, provided that the Security Trustee has notified the Rating Agencies of such event. If the Swap Counterparty is unable to transfer its rights and obligations under the Swap Agreement to another office, branch or affiliate, it will have the right to terminate the Swap Agreement. Upon such termination, the Issuer or the Swap Counterparty may be liable to make a termination payment to the other party.

The Swap Agreement will be terminable by one party if - *inter alia*- (i) an Event of Default (as defined therein) occurs in relation to the other party, (ii) it becomes unlawful for either party to perform its obligations under the Swap Agreement or (iii) an Enforcement Notice is served. Events of Default under the Swap Agreement in relation to the Issuer will be limited to (i) non-payment under the Swap Agreement and (ii) insolvency events. If the Swap Agreement terminates the Issuer may be obliged to make termination payments to the Swap Counterparty and furthermore 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 New Notes.

RISK FACTORS REGARDING THE MORTGAGE RECEIVABLES

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

Under Netherlands 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 has been assigned on the Initial Closing Date and on any Payment Date thereafter by the relevant Seller to the Issuer through a deed of assignment 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 the section *Mortgage Receivables Purchase Agreement*.

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

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

Set-off by Borrowers may affect the proceeds under the Mortgage Receivables
Under Netherlands law a debtor has a right of set-off if it has a claim that corresponds to its debt to the same counterparty and it is entitled to pay its debt as well as to enforce 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. Claims which are enforceable ("*afdwingbaar*") by a Borrower could, *inter alia*, result from current account balances or deposits made with such Seller. In respect of the Relevant Mortgage Receivables sold by BLG Hypotheekbank, reference is made to the representation made by BLG Hypotheekbank that given the nature of its business (i) it owes no amounts to a Borrower under an account relationship and (ii) no deposits have been accepted by it from any Borrower. Also, such claims of a Borrower could, *inter alia*, result from (x) services rendered by a Seller to the Borrower, if rendered at all, such as investment advice rendered by SNS Bank in connection with Investment-based Mortgage Loans or (y) services for which the relevant Seller is liable. As a result of the set-off of amounts due and payable by a Seller to the Borrower with amounts the Borrower owes in respect of the Relevant Mortgage Receivable, the Relevant Mortgage Receivable will, partially or fully, be extinguished ("*gaat teniet*"). Set-off by Borrowers could thus lead to losses under the New Notes.

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

After assignment of the Mortgage Receivables to the Issuer and notification thereof to a Borrower, such Borrower will also have set-off rights vis-à-vis the Issuer, provided that the legal requirements for set-off are met (see above), and further provided that (i) the counterclaim of the Borrower results from the same legal relationship as the relevant Mortgage Receivable, or (ii) the counterclaim of the Borrower has originated ("*opgekomen*") and became due and payable ("*opeisbaar*") prior to the assignment of the Mortgage Receivable and notification thereof to the relevant Borrower. The question whether a court will come to the conclusion that the Relevant Mortgage Receivable and the claim of the Borrower against the relevant 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 and became due and payable 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 SNS Bank and SNS Regio Bank that in most cases a balance on a deposit account can be withdrawn at any time and, consequently, such balance is due and payable at any time. If following receipt of notification of assignment of the Mortgage Receivable, amounts are debited from or credited to the current account or, as the case may be, the deposit account, the Borrower will only be permitted to set-off its claim vis-à-vis the Issuer for the amount of its claim at the moment such notification has been received after deduction of amounts which have been debited from the current account or the deposit account after receipt of such notification, notwithstanding that amounts may have been credited.

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.

If notification of the assignment of the Mortgage Receivables is made after the bankruptcy, (preliminary) 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 Bankruptcy Code a person which is both debtor and creditor of the bankrupt entity can set off its debt with its claims, if each claim (i) came into existence prior to the moment at which the bankruptcy becomes effective or (ii) resulted from transactions with the bankrupt entity concluded prior to the bankruptcy becoming effective. A similar provision applies in case of (preliminary) suspension of payments or emergency regulations.

For specific set-off issues relating to the Life Insurance Policies or, as the case may be, Savings Insurance Policies connected to the Mortgage Loans or specific set off issues relating to the Investment-based Mortgage Loans, reference is made to the paragraph *Risk of set-off or defences by Borrowers in case of insolvency of Insurance Companies* and *Risks related to offering of Investment-based Mortgage Loans and Life Insurance Policies or Savings Insurance Policies with the Investment Alternative* below.

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

The mortgage deeds relating to the Mortgage Receivables to be sold to the Issuer provide that the mortgage rights created pursuant to such mortgage deeds, not only secure the loan granted to the Borrower for the purpose of acquiring the relevant Mortgaged Asset, but also other liabilities and moneys that the Borrower, now or in the future, may owe to the relevant Seller ("**Bank Mortgages**"). The Mortgage Loans also provide for rights of pledge granted in favour of the relevant Seller, which secure the same debts as the Bank Mortgages ("**Bank Pledges**" and jointly with the Bank Mortgages, the "**Bank Security Rights**").

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

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

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

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

In respect of (i) the Mortgage Loans originated by SNS Bank before the end of 2005 and (ii) the Mortgage Loans originated by BLG Hypotheekbank, the relevant mortgage deeds stipulate that in case of assignment of the receivable the mortgage right will follow if this is stipulated upon the assignment. The conditions applicable to Mortgage Loans originated by SNS Bank as of the end of 2005 provide that in case of assignment or pledge of the receivable the Borrower and SNS Bank have the explicit intention that the assignee or pledgee will have the benefit of (a *pro rata* part of) the mortgage rights and rights of pledge securing such receivable, unless SNS Bank determines otherwise prior to the 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 the Mortgage Loans makes clear that the Bank Security Right (partially) follows the Mortgage Receivable as accessory and ancillary right upon its assignment, but that there is no case law explicitly supporting this advice.

The Mortgage Loans (i) originated by SNS Bank before the end of 2005 and (ii) the Mortgage Loans originated by BLG Hypotheekbank do not provide for the Bank Pledges to partially follow the Mortgage Receivable upon assignment or pledge thereof. Also, the Mortgage Loans originated by SNS Regio Bank do not provide for the Bank Security Rights to follow the Mortgage Receivables upon the assignment or pledge thereof. Consequently, there is no clear indication of the intention of the parties. The Issuer has been advised that also in such case the Bank Pledge or Bank Security Right, as the case may be, 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 Bank Security Rights in the past as described above, which view continues to be defended by some legal commentators.

The above applies *mutatis mutandis* in the case of the pledge of the Mortgage Receivables by the Issuer to the Security Trustee under the Security Trustee Receivables Pledge Agreement. However, the terms and conditions applicable to the Mortgage Loans as set forth in the relevant mortgage deed and/or in any loan document, offer document or any other document and/or in any applicable general terms and conditions for mortgages of the relevant Seller from time to time in effect (the "**Mortgage Conditions**") in respect of (i) the Mortgage Loans originated by SNS Bank before the end of 2005 and (ii) the Mortgage Loans originated by BLG Hypotheekbank and SNS Regio Bank do not provide that in case of a pledge of the Mortgage Receivable the mortgage right will (partially) follow the Mortgage Receivable. Therefore, there is no clear indication of the intention of the parties and, consequently, the view expressed in the above paragraph does not apply to the pledge of the Mortgage Receivables. However, a good argument can be made that the intention of the parties in case of an assignment of the Mortgage Receivable also includes the intention in case of a pledge of such Mortgage Receivable. Even if the Mortgage Conditions do not provide a clear indication on the intentions of the parties in case of pledge, the Issuer has been advised that the Security Trustee as pledgee should have the benefit of the Bank Security Rights as accessory and ancillary right upon notification of the assignment of the Mortgage Receivables to the Issuer and the pledge to the Security Trustee. It should be noted, however, that there is no case law explicitly supporting this view. Therefore it is not certain what the Netherlands courts would decide if the matter were to be submitted to them, particularly taking into account the prevailing view of Dutch legal commentators on Bank Security Rights in the past, which view continues to be defended by some legal commentators.

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

If the Bank Security Rights have (partially) followed the Mortgage Receivables upon their assignment, the Bank 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 claims held by the relevant Seller vis-à-vis the relevant Borrower (the "**Other Claims**"). This will not apply to the Bank Mortgages, securing (i) the Mortgage Loans originated by SNS Bank before the end of 2005 and (ii) the Mortgage Loans originated by BLG Hypotheekbank, since the relevant mortgage deeds relating to those Mortgage Loans provide that following assignment or pledge of the Relevant Mortgage Receivable the Bank Mortgage no longer secures such Other Claims.

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

If (a bankruptcy trustee or administrator of) the relevant Seller would, notwithstanding the arrangement set out above, enforce the jointly-held Bank 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.

Risk related to partial termination of the Bank Security Rights

The Mortgage Receivables Purchase Agreement provides that upon the occurrence of an Assignment Notification Event the relevant Seller is required to give notice to the Borrowers of partial termination of, (i) in respect of SNS Bank, the Bank Security Rights securing the Relevant Mortgage Receivables originated after the end of 2005 (other than the rights of pledge vested on securities in respect of Investment-based Mortgage Loans (the "**Borrower Securities Pledges** ") and the Bank Pledges securing the Relevant Mortgage Receivables originated before the end of 2005 (other than the Borrower Insurance Pledges and the Borrower Securities Pledges), and (ii) in respect of BLG Hypotheekbank, the Bank Pledges securing the Relevant Mortgage Receivables and (iii) in respect of SNS Regio Bank the Bank Security Rights securing the Relevant Mortgage Receivables. As a consequence of such partial termination, the relevant Bank Security Rights will only secure the Relevant Mortgage Receivables and the joint estate will be terminated (see *Risk related to jointly-held Bank Security Rights by the Seller, the Issuer and the Security Trustee*).

The Issuer has been advised that each Seller can effectively partially terminate the Bank Security Rights in this manner, but that there is no case law supporting this opinion.

Each Seller's undertaking to partially terminate the Bank Security Rights is no longer enforceable if such Seller would be declared bankrupt or become subject to emergency regulations. The co-operation of the relevant Seller's administrator (in case of (preliminary) suspension of payments or emergency regulations) or bankruptcy trustee (in case of bankruptcy) would be required for such act and it is not certain whether such co-operation will be forthcoming. Also, the power of attorney given to the Issuer and the Security Trustee, respectively, to effectuate such partial termination on behalf of the relevant Seller would terminate or become ineffective in such event.

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 *Description of Mortgage Loans* starting on page 64 below. A long lease will, *inter alia*, end as a result of expiration of the long lease term (in the case of a lease for a fixed period), or termination of the long lease by the leaseholder or the landowner. The landowner can terminate the long lease if the leaseholder has not paid the remuneration due for a period exceeding two consecutive years or seriously breaches ("*in ernstige mate tekortschiet*") other obligations under the long lease. If the long lease ends, the landowner will have the obligation to compensate the leaseholder. In such event the mortgage right will, by operation of law, be replaced by a right of pledge on the claim of the (former) leaseholder on the landowner for such compensation. The amount of the compensation will, *inter alia*, be 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 relevant Seller will take into consideration certain conditions, in particular the term of the long lease. Therefore, the Mortgage Conditions used by each Seller provide that the Outstanding Principal Amount of a Mortgage Receivable, including interest, will become immediately due and payable, *inter alia*, if the long lease terminates or if the lease holder materially breaches the conditions of the long lease.

Risk that Borrower Insurance Pledges will not be effective

All rights of a Borrower under the Insurance Policies have been pledged to the relevant Seller (the "**Borrower Insurance Pledge**"). The Issuer has been advised that it is probable that the right to receive payment, including the commutation payment ("*afkoopsom*"), under the Insurance Policies will be regarded by a Netherlands court as a future right. The pledge of a future right is, under Netherlands law, not effective if the pledgor is declared bankrupt, granted a suspension of payments or is subject to emergency regulations, prior to the moment such right comes into existence. This means that it is uncertain whether such pledge will be effective. The Borrower Insurance Pledge secures the same liabilities as the Bank Security Rights (and should therefore be regarded as Bank Pledges). The conditions applicable to the Borrower Insurance Pledges do not provide that in case of assignment or pledge of the receivable, the pledge will (partially) follow such receivable. Consequently, there is no clear indication of the intention of the parties. However, the Issuer has been advised that, based upon recent legal literature (see *Risk that the Bank Security Rights will not follow the Mortgage Receivables upon assignment to the Issuer* above) the Borrower Insurance Pledges should partially follow the Mortgage Receivables upon their assignment and pledge.

Risks relating to Beneficiary Rights under the Insurance Policies

The relevant Seller has been appointed as beneficiary under the relevant Insurance Policy (the "**Beneficiary Rights**"), except that in certain cases another beneficiary is appointed who will rank ahead of the relevant Seller, provided that, *inter alia*, the relevant Insurance Company is irrevocably authorised by such beneficiary to pay the proceeds of the Insurance Policy to the relevant Seller (the "**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. However, in the form of the Borrower Insurance Pledge with respect to Life Insurance Policies used by SNS Bank as of 25 September 2000 and in the forms of mortgage deeds with respect to Savings Insurance Policies used by SNS Bank as of the end of 2005, any successor in title ("*rechtsopvolgers onder algemene en bijzondere titel*") is also appointed as beneficiary, which may, subject to the legal requirements for a valid assignment and subject to any requirements stipulated by the Life Insurance Policy or Savings Insurance Policy, as the case may be, include the Issuer upon the assignment. 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 *Description of Security* starting on page 63 below). However, the Issuer has been advised that it is uncertain whether this assignment and pledge will be effective.

The Issuer and the Security Trustee will enter into a beneficiary waiver agreement (the "**Beneficiary Waiver Agreement**") with the Sellers and the Savings Insurance Company under which SNS Bank and SNS Regio Bank, without prejudice to the rights of the Issuer as assignee and the rights of the Security Trustee as pledgee and subject to the condition precedent of the occurrence of an Assignment

Notification Event, waive their rights as beneficiaries under the Savings Insurance Policies and appoint as first beneficiary (i) the Issuer subject to the dissolving condition ("*ontbindende voorwaarde*") of a Security Trustee Pledge Notification Event and (ii) the Security Trustee under the condition precedent ("*opschortende voorwaarde*") of the occurrence of a Security Trustee Pledge Notification Event. It is, however, uncertain whether such waiver and unlikely that such appointment will be effective. In the event that such waiver and appointment are not effective in respect of the Savings Insurance Policies and, furthermore, in respect of the Life Insurance Policies, each Seller and, in respect of the Savings Insurance Policies, the Savings Insurance Company will undertake in the Beneficiary Waiver Agreement that they will use their best efforts upon the occurrence of an Assignment Notification Event 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 and, in respect of the Savings Insurance Policies, the Savings Insurance Company, will in the Beneficiary Waiver Agreement undertake to use their 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 Security Trustee Pledge Notification Event and (ii) the Security Trustee under the condition precedent ("*opschortende voorwaarde*") of the occurrence of a Security Trustee 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, up to the amount of any claims the relevant Seller may have on the relevant Borrower. 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.

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

Under certain types of Mortgage Loans the relevant Seller has the benefit of rights under Life Insurance Policies and, in respect of SNS Bank and SNS Regio Bank only, Savings Insurance Policies (together the "**Insurance Policies**") with Life Insurance Companies and the Savings Insurance Company respectively (together the "**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 New Notes.

As set out in *Set-off by Borrowers may affect the proceeds under the Mortgage Receivables* above, the Borrowers, other than Borrowers under Mortgage Loans originated by BLG Hypotheekbank, have waived their set-off rights, but it is uncertain whether such waiver is effective. With a view to further reducing the risk of set-off by Borrowers, the Mortgage Conditions applicable to Mortgage Loans originated by SNS Bank after the end of 2005 have been changed to provide that the Borrower will not have the right to set off claims under insurance policies with obligations under mortgage loans and confirm that (i) the bank and the relevant insurance company are different legal entities and (ii) the rights and obligations under the insurance policies are independent from the rights and obligations under the mortgage loans. This provision provides arguments for a defence against Borrowers invoking set-off rights or other defences (see below), but it is uncertain whether this provision in the Mortgage Conditions will be effective.

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

Set-off vis-à-vis the Issuer after notification of the assignment would be subject to the additional requirements for set-off after assignment being met (see *Set-off by Borrowers may affect the proceeds under the Mortgage Receivables* above). In the case of Savings Mortgage Loans (one of) these requirements is likely to be met, since it is likely that the Savings Mortgage Loans and the Savings Insurance Policies are to be regarded as one legal relationship. If the Savings Mortgage Loan and the Savings Insurance Policy are regarded as one legal relationship the assignment will not interfere with the set-off. The Issuer has been advised that it is unlikely, however, that the Mortgage Loans and the Life Insurance Policies should be regarded as one legal relationship.

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 Netherlands 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.

Mortgage Loans to which a Life Insurance Policy is connected
In respect of the risk of such set-off or defences being successful, as described above, if, in case of bankruptcy or emergency regulations of any of the Life Insurance Companies, the Borrowers/insured will not be able to recover their claims under their Life Insurance Policies, the Issuer has been advised that, in view of the preceding paragraphs and the representation by each Seller that with respect to Mortgage Loans whereby it is a condition for the granting of the relevant Mortgage Loan that a Life Insurance Policy is entered into by the Borrower (i) a Borrower Insurance Pledge is granted on the rights under such policy in favour of the relevant Seller, (ii) the Mortgage Loan and the Life Insurance Policy are in the relevant Seller's or the Life Insurance Company's promotional materials not offered as one product under one name, and (iii) the Borrowers are not obliged to enter into the Life Insurance Policy with a Life Insurance Company which is a group company of the relevant Seller, it is unlikely that a court would honour set-off or defences of the Borrowers, as described above, if the Life Insurance Company is not a group company of the relevant Seller within the meaning of article 2:24b of the Netherlands Civil Code. However, if the Life Insurance Company is a group company of the relevant Seller, the Issuer has been advised that the possibility cannot be disregarded ("*kan niet worden uitgesloten*") that the courts will honour set-off or defences by the Borrowers.

Savings Mortgage Loans
In respect of Savings Mortgage Loans the Issuer has been advised that there is a considerable risk ("*een aanmerkelijk risico*") that such a set-off or defence would be successful in view of, *inter alia*, the close connection between the Savings Mortgage Loan and the Savings Insurance Policy and the wording of the mortgage deeds relating to the Savings Mortgage Loans.

In respect of Savings Mortgage Loans which are subject to a Participation, the Sub-Participation Agreement will provide that should a Borrower invoke a defence, including but not limited to a right of set-off or counterclaim in respect of such Savings Mortgage Loan if, for whatever reason, the Savings Insurance Company does not pay the insurance proceeds when due and payable, whether in full or in part, under the relevant Savings Insurance Policy and, as a consequence thereof, the Issuer will not have received any amount outstanding prior to such event in respect of the relevant Savings Mortgage Receivable, the relevant Participation of the Savings Insurance Company will be reduced by an amount equal to the amount which the Issuer has failed to receive. The amount of the Participation is equal to the amounts of Savings Premium received by the Issuer plus the accrued yield on such amount (see *Sub-Participation Agreement* starting on page 79 below), provided that the Savings Insurance Company will have paid all amounts equal to the amounts due under the Sub-Participation Agreement to the Issuer. Therefore, normally the Issuer will not suffer any damages if the Borrower invokes any such set-off or defence, if and to the extent that the amount for which the Borrower invokes set-off or defences does not exceed the amount of the Participation. However, the amount for which the Borrower can invoke set-off or defences may, depending on the circumstances, exceed the amount of the Participation.

The Sub-Participation Agreement does not apply to Savings Plus Mortgage Loans originated by SNS Bank to which a Savings Insurance Policy with the Investment Alternative is connected. In this respect it is noted that at the Initial Closing Date only a small percentage of all Savings Mortgage Receivables have a Savings Insurance Policy with the Investment Alternative. Furthermore, the Issuer has been advised that the proportion of Savings Mortgage Receivables to which a Savings Insurance Policy with the Investment Alternative is connected, is not expected to increase substantially after the Closing Date, considering that from a tax perspective, the Savings Alternative is more attractive than the Investment Alternative for Borrowers who have opted for the certainty of a guaranteed payment sufficient to redeem the Outstanding Principal Amount of the relevant Savings Mortgage Receivable at its maturity (see *Sellers and Residential Mortgage Business* starting on page 60 below).

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, the co-operation of the trustee (in bankruptcy) or administrator (in emergency regulations) would be required to reset the interest rates.

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

The Sellers have represented that under the investment-based mortgage loans ("*beleggingshypotheken*" (the "**Investment-based Mortgage Loans**"), the securities are purchased on behalf of the relevant Borrower by (i) an investment firm ("*beleggingsondermening*") as defined in the Wft, which is by law obliged to administer the securities in the name of the relevant Borrower through a bank (see below) or a separate securities giro or (ii) a bank, which is by law obliged to administer the securities in the name of the relevant Borrower through a separate depository vehicle and/or only administer securities the transfer of which is subject to the Netherlands Giro Securities Transfer Act ("*Wet Giraal Effectenverkeer*", the "**Wge**"). 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 as discussed under Risk of set-off and defences by Borrowers in case of insolvency of Insurance Companies.

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

The value of investments made under the Investment-based Mortgage Loans or by one of the Life Insurance Companies in connection with the Life Insurance Policies or by the Savings Insurance Company in connection with the Savings Mortgage Loans to which a Savings Insurance Policy with the Investment Alternative is connected, may not be sufficient for the Borrower to fully redeem the related Mortgage Receivables at its maturity.

Risks related to offering of Investment-based Mortgage Loans and Life Insurance Policies or Saving Insurance Policies with the Investment Alternative

Apart from the general obligation of contracting parties to provide information, there are several provisions of Netherlands law applicable to offerors of financial products, such as Investment-based Mortgage Loans and Mortgage Loans to which Life Insurance Policies or Savings Insurance Policies with the Investment Alternative are connected. 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 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-based Mortgage Loans or Life Insurance Policies or Savings Insurance Policies with the Investment Alternative is not sufficient to redeem the Relevant Mortgage Loans.

In the case of Investment-based Mortgage Loans originated by BLG Hypotheekbank, Investment Firms provide for certain services, for example for investment advice or investment management services to the Borrowers. The Borrower may hold an Investment Firm liable if it does not meet its obligations towards the Borrower as investment adviser or investment manager, for example with respect to any investment advice or investment management services provided by such Investment Firm. In particular liability could arise if the sum of the investments is not sufficient to repay the Investment-based Mortgage Loan at maturity. Although BLG Hypotheekbank has no contractual obligation to provide investment advice or investment management services to the Borrower, it cannot be excluded that the Borrower may hold BLG Hypotheekbank liable for the non-fulfilment of the obligations of the

Investment Firm and invoke set-off or defences similar to those described under Risk of set-off and defences by Borrowers in case of insolvency of Insurance Companies.

In relation to investment insurance policies ("*beleggingsverzekeringen*") a specific issue has arisen concerning the costs of these products. In 2006, the AFM has issued a report on these products in which it concludes that these types of insurances are relatively expensive and that the information about costs is in many cases incomplete, inadequate and sometimes incorrect. This report was followed by a letter of the Minister of Finance and a report issued in December 2006 by an independent committee, the Committee de Ruiter, containing recommendations to the insurers to improve the information provided to customers. The Dutch Association of Insurers ("*Verbond van Verzekeraars*") has in a public communication (a) underwritten the recommendations of the Committee De Ruiter, stating that it sees these as a logical step in the various steps which have in previous years been made to improve transparency and (b) said that insurers will (1) verify whether in the past in individual cases mistakes have been made and if so, correct these mistakes and (2) provide costumers having an investment insurance policy with all relevant information regarding their insurance policy. In the press class actions have been announced against certain insurers and some civil law suits are pending.

The Dutch Minister of Finance has informed Parliament that the Dutch Government intends to stimulate a balanced approach for resolving complaints, to prevent a multitude of individual disputes before a complaint institute or in public courts, and has requested the Financial Services Ombudsman and Chairman of the Complaint Institute for Financial Services ("*Klachteninstituut Financiële Dienstverlening*") to propose a balanced approach to deal with complaints. This Ombudsman has concluded in its recommendation (published on 4 March 2008) that insurers in general have not provided sufficient transparency concerning the costs of life insurance policies and/or savings insurance policies with an investment alternative. This may, however, vary per insurer. He recommends insurers to compensate customers of life insurance policies and/or savings insurance policies with an investment alternative of which the costs over the duration of the policy is higher than 3.5 per cent. of the gross fund output at least for the incremental costs. If all parties would cooperate with these recommendations, this could accelerate a solution and could result in a compromise for an important number of cases.

The Dutch Association of Insurers has in a public communication stated that the recommendation offers a clear framework for a solution in a cumbersome file and that it expects that insurers will take this recommendation seriously. The recommendation addresses primarily individual insurers who should decide on the basis of their portfolio if and to what extent they will adopt this recommendation. It concludes that the recommendation of the Ombudsman makes fast, clear and transparent adaptation possible and prevents lengthy legal procedures which will benefit both insurers and customers. In the press some claimant organisations have announced that the recommendations are disappointing and/or do not offer customers sufficient compensation and new class actions have been announced against two insurance companies. A number of insurers announced that each of them has reached agreement with claimant organisations on compensation of their customers for the costs of investment insurance policies entered into with these insurers.

If Life Insurance Policies or Savings Insurance Policies with the Investment Alternative related to the Mortgage Loans would for the reasons described in this paragraph be dissolved or nullified, this will affect the collateral granted to secure these Mortgage Loans (the Borrower Insurance Pledge and the Beneficiary Rights). 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 will be different depending on the particular circumstances involved. Even if the Mortgage Loan is not affected, the Borrower/insured may invoke set-off or other defences against the Issuer. The analysis in that situation is similar to the situation in case of insolvency of the insurer (see *Risk of set-off and defences by Borrowers in case of insolvency of Insurance Companies*), except if the relevant Seller is itself liable, whether jointly with the insurer or separately, vis-à-vis the Borrower/insured. 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 may be invoked, which will probably only become relevant if the insurer and/or the relevant Seller will not indemnify the Borrower. Any such set-off or defences may affect the value of the Mortgage Receivables which may lead to losses under the New Notes.

Maturity risk related to the Mortgage Loans
The standard mortgage deed used by SNS Bank in case of an Interest-only Mortgage Loan originated prior to 1 October 2003 ("*SNS Aflossingsvrije Hypotheek*") states that such loan is entered into for an unlimited period of time and that, unless agreed otherwise at any time, the Borrower is not obliged to repay the Outstanding Principal Amount borrowed. However, the mortgage deed and SNS Bank's Mortgage Conditions both contain clauses pursuant to which SNS Bank may demand repayment of the Outstanding Principal Amount or pursuant to which the Outstanding Principal Amount is declared immediately due and payable.

With respect to SNS Bank's Mortgage Conditions it is noted that these conditions provide that the Outstanding Principal Amount, increased with interest, reimbursements, costs and amounts paid by SNS Bank on behalf of the Borrower and any other amounts due by the Borrower to SNS Bank for whatever reason at any time (the "**Debt**"), will become immediately due and payable in certain events, *inter alia*, if the Life Insurance Policy belonging to the Mortgage Loan is invalid and/or payment of premium under the Life Insurance Policy is suspended ("*premievrij*") and/or the Life Insurance Company makes a payment under the Life Insurance Policy (see *Mortgage Receivables Purchase Agreement* below). In such event SNS Bank is thus entitled to terminate the Mortgage Loan (including an Interest-only Mortgage Loan). Furthermore, SNS Bank has represented that each of the Mortgage Loans, with a tenor of more than thirty years or without a maturity date will have a Life Insurance Policy attached to it in the form of a combined risk and capital policy which, as far as the risk element is concerned, pays out upon death of the insured and, as far as the capital element is concerned, upon maturity of the policy and that each of the Life Insurance Policies has a term not exceeding thirty years from the date on which the Mortgage Loan was granted.

No specific termination event is provided in SNS Bank's Mortgage Conditions in case of death of a Borrower. Death of a Borrower would not necessarily lead to repayment of the Outstanding Principal Amount. However, if a Life Insurance Policy is connected to the Mortgage Loan, the death of a Borrower who is also the insured under the policy will in principle result in a payment under the Life Insurance Policy and the Debt becoming due (as described above).

Under Netherlands law any contractual provision may not be enforceable if this would be unacceptable in the circumstances involved on the basis of applicable standards of reasonableness and fairness ("*redelijkheid en billijkheid*"). In respect of provisions contained in general conditions (such as SNS Bank's Mortgage Conditions) the relevant statutory provisions provide, more specifically, that a provision is voidable, if considering the nature and the further contents of the agreement, the manner in which the general conditions were agreed upon, the mutually apparent interests of the parties involved and the further circumstances, it is unreasonably onerous from the perspective of the party against whom the general conditions are applied. Borrowers may argue that, depending on the circumstances, the clause in SNS Bank's Mortgage Conditions relating to acceleration of the Debt in case the insurance proceeds are paid out (as described above) is voidable or otherwise unenforceable on the basis of these statutory provisions.

Risk related to prepayments on the Mortgage Loans
The maturity of the New Notes 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 Proceeds upon enforcement of a Mortgage Loan and repurchase by the relevant Seller of Mortgage Receivables) on the Mortgage Loans. The average maturity of the New Notes may be adversely affected by a higher or lower than anticipated rate of prepayments on the Mortgage Loans. The rate of prepayment of Mortgage Loans is influenced by a wide variety of economic, social and other factors, including prevailing market interest rates, changes in tax laws (including, but not limited to, amendments to mortgage interest tax deductibility), local and regional economic conditions and changes in Borrowers' behaviour (including, but not limited to, home-owner mobility). No guarantee can be given as to the level of prepayment that the Mortgage Loans may experience, and variation in the rate of prepayments of principal on the Mortgage Loans may affect each Class of Notes differently.

In addition, it is noted that the Savings Mortgage Loans become immediately due and payable up to the amount of the savings deposit with SNS Bank, *inter alia*, if SNS Bank is declared bankrupt or subjected to emergency regulations. In such event the Borrower also has the right to fully repay the Savings Mortgage Loan without any penalty being due.

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, illness, divorce and other similar factors may lead to an increase in delinquencies and bankruptcy filings by Borrowers and could ultimately have an adverse impact on the ability of Borrowers to repay their Mortgage Receivables.

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

RISK FACTORS REGARDING THE NEW NOTES

Risk that the Issuer will not exercise its right to redeem the New Notes at the Optional Redemption Dates
As a result of the reset of the margin payable from (and including) the Step-Up Date in respect of the floating rate of interest on the New Notes, the Issuer may have an incentive to exercise its right to redeem the Senior Class A 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 Senior Class A Notes, for example through a sale of Mortgage Receivables still outstanding at that time.

Subordination of the New Junior Class D Notes
To the extent set forth in Conditions 6 and 9, the New Junior Class D Notes are subordinated in right of payment to the Senior Class A Notes, the Mezzanine Class B Notes and the Mezzanine Class C Notes. With respect to any Class of Notes, such subordination is designed to provide credit enhancement to any Class of Notes with a higher payment priority than such Class of Notes.

If, upon default by the Borrowers, the Issuer does not receive the full amount due from such Borrowers, New Junior Class D Noteholders may receive by way of principal repayment on the New Junior Class D Notes an amount less than the face amount of their New Junior Class D Notes and the Issuer may be unable to pay in full interest due on the New Junior Class D Notes, to the extent set forth in Condition 9. On any Payment Date, any Realised Losses on the Mortgage Loans will be allocated as described in the chapter *Credit Structure* starting on page 43 below.

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

If, upon default by the Borrowers and after exercise by any Pool Servicer of all available remedies in respect of the Relevant Mortgage Receivables, the Issuer does not receive the full amount due from such Borrowers, the New Noteholders may receive by way of principal repayment on the New Notes an amount less than the face amount of their New Notes and the Issuer may be unable to pay in full interest due on the New Notes, to the extent set forth in Condition 9. On any Payment Date, any such losses on the Mortgage Loans will be allocated as described in the chapter *Credit Structure* starting on page 43 below.

Conflict of interest between the interests of holders of different Classes of Notes and other Secured Parties

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) but requiring the Security Trustee in any such case to have regard only to the interests of the holders of the Most Senior Class of Notes, if, in the Security Trustee's opinion, there is a conflict between the interests of the holders of the Most Senior Class of Notes on the one hand and the holders of junior ranking Notes on the other hand. In addition, the Security Trustee shall have regard to the interests of the other Secured Parties, provided that, in case of a conflict of interest between the Secured Parties, the Priority of Payments upon Enforcement set forth in the Trust Deed determines which interest of which Secured Party prevails.

Risk related to enforcement rights after an Event of Default

Following the occurrence of an Event of Default the Security Trustee at its discretion may and shall if so directed by an Extraordinary Resolution of the relevant Class of Notes give notice to the Issuer that the Notes are to be immediately due and payable following which the Security shall become enforceable and the Security Trustee may, at its discretion and without further notice, enforce the Security but need not do so unless directed by an Extraordinary Resolution of the Most Senior Class of Notes and the Security Trustee is indemnified to is satisfaction. These provisions could result in enforcement of such security in circumstances where the proceeds of liquidation thereof would be insufficient to ensure payment in full of all amounts due and payable in respect of the New Notes in accordance with the Priority of Payments upon Enforcement and/or at a time when enforcement thereof may be adverse to the interests of Noteholders other than the Senior Class A Noteholders.

Risk related to the limited liquidity of the New Notes

Prior to this offering, there has been no public secondary market for the New Notes and there can be no assurance that the issue price of the New Notes will correspond to the price at which the New Notes will be traded after the initial offering of the New Notes. Furthermore, there can be no assurance that active trading in the New Notes will commence or continue after the offering. A lack of trading in the New Notes could adversely affect the price of the New Notes, as well as the New Noteholders' ability to sell the New Notes.

The secondary market for mortgage-backed securities is experiencing severe disruptions resulting from reduced investor demand for mortgage-backed securities and increased investor yield requirements for those securities. As a result, the secondary market for mortgage-backed securities is experiencing extremely limited liquidity. The conditions may continue or worsen in the future. Limited liquidity in the secondary market for mortgage-backed securities has had a severe adverse effect on the market value of mortgage-backed securities. Limited liquidity in the secondary market may continue to have a severe adverse effect on the market value of mortgage-backed securities, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the investment requirements of limited categories of investors. Consequently, an investor in the New Notes may not be able to sell its New Notes readily. The market values of the New 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 New Notes in the secondary market.

New Notes held in global form
The New Notes will initially be held by a common safekeeper on behalf of Euroclear and/or Clearstream, Luxembourg in the form of a Global Note which will be exchangeable for Definitive Notes in limited circumstances as more fully described in the section *The Global New Notes* below. For as long as any New Notes are represented by a Global Note held by a common safekeeper on behalf of Euroclear and/or Clearstream, Luxembourg, payments of principal, interest (if any) and any other amounts on a Global Note will be made through Euroclear and/or Clearstream, Luxembourg (as the case may be) against presentation or surrender (as the case may be) of the relevant Global Note and, in the case of a Temporary Global Note, certification as to non-U.S. beneficial ownership. The bearer of the relevant Global Note, being the common depositary for Euroclear and/or Clearstream, Luxembourg, shall be treated by the Issuer and the Paying Agent as the sole holder of the relevant New Notes represented by such Global Note with respect to the payment of principal, interest (if any) and any other amounts payable in respect of the New Notes.

New 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 and/or Clearstream, Luxembourg, as the case may be.

Maturity Risk
The ability of the Issuer to redeem all the New 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 value of the Mortgage Receivables is sufficient to redeem the New Notes.

No Gross-up for Taxes
As provided in Condition 7, if withholding of, or deduction for, or on account of any present or future taxes, duties, assessments or changes of whatever nature are imposed by or on behalf of the Netherlands, any authority therein or thereof having power to tax, the Issuer will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the Noteholders, as the case may be, and shall not be obliged to pay any additional amounts to the Noteholders.

EU Savings Directive
The EU has adopted an EU Directive 2003/48/EC regarding the taxation of savings income (the "**EU Savings Directive** . The EU Savings Directive requires Member States to provide to the tax authorities of another Member State details of payments of interest and other similar income paid by a person to an individual or to certain other persons in another Member State, except that Belgium, Luxembourg and Austria will instead impose a withholding system for a transitional period unless during such period they elect otherwise. If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. A number of third countries and territories including Switzerland have adopted similar measures to the EU Savings Directive. On 13 November 2008 the European Commission published a proposal for amendments to the Directive, which included a number of suggested changes which, if implemented, would broaden the scope of the requirements described above. The Issuer is required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the EU Savings Directive. New Noteholders who are in any doubt as to their position should consult their professional advisers.

Clean-Up Call Option and redemption for tax reasons
Should the Issuer exercise the Clean-Up Call Option, the Issuer will redeem all the New Notes by applying the proceeds of the sale of the Mortgage Receivables towards redemption of the Notes in accordance with Condition 6(f). The Issuer will have the option to redeem the New Notes upon a Tax Change in accordance with Condition 6(h). The purchase price of the Mortgage Receivables will be calculated as described in *Sale of Mortgage Receivables* under *Credit Structure* below. Should the Clean-Up Call Option be exercised or the New Notes be redeemed upon a Tax Change, this may lead to the New Notes being redeemed prematurely. New Noteholders may not be able to invest the

amounts received as a result of the redemption of the New Notes on conditions similar to those of the New Notes.

Changes of law

The structure of the issue of the New Notes and the rating which is to be assigned to the New Notes are based on Dutch law, and, with respect to the Swap Agreement, English law, in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible change to Dutch law or English law or administrative practice in the Netherlands and England and Wales after the date of this Prospectus.

Credit ratings may not reflect all risks

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

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

Due to the dependency on the performance of the relevant counterparties of their obligations in connection with this transaction, a deterioration of the credit quality of any of these counterparties (including a reduction in the credit rating of the Floating Rate GIC Provider, the Seller Collection Account Provider, the Swap Counterparty or the Cash Advance Facility Provider) might have an adverse effect on the rating of the New Notes.

The New Notes may not be a suitable investment for all investors

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

(a) have sufficient knowledge and experience to make a meaningful evaluation of the New Notes and the merits of investing in the New Notes and the information contained or incorporated by reference in this Prospectus;

(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of his particular financial situation, the significance of these risk factors and the impact the New Notes will have on his overall investment portfolio;

(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the New Notes, including, but not limited to, where the currency for principal or interest payments is different from the investor's base currency;

(d) understand thoroughly the terms of the New Notes and be familiar with the behaviour of any relevant indices in the financial markets (including, but not limited to, the risks associated thereof) as an investor who is not familiar with such behaviour is more vulnerable to any fluctuations in the financial markets generally; and

(e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect his investment and his ability to bear the applicable risks.

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

Legal investment considerations may restrict investments in the New Notes

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

Proposed Changes to the Basel Capital Accord may result in changes to the risk-weighting of the New Notes

Amendments may be made to the current Basel II Capital Accord promulgated by the Basel Committee on Banking Supervision as set forth in the EU Capital Adequacy Directive 2006/49/EC and the EU Payment Services Directive 2006/48/EC or in the international, European or Dutch regulations rules and instructions applicable to credit and financial institutions in Europe. In the Netherlands the above directives have been implemented in the Act on Financial Supervision. In October 2008, the European Commission adopted proposals to amend the above-mentioned directives in light of the financial crisis. Recently, the Basel Committee on Banking Supervision proposed new rules on the existing Basel II accord on bank capital requirements ("**Basel III**"). It is contemplated to implement these new rules by the end of 2012. Such amendments may, amongst other things, affect the risk-weighting of the Notes in respect of certain investors if those investors are regulated in a manner which will be affected by these amendments. Consequently, prospective purchasers should consult their own advisers as to the consequences of and the effect on them of any amendments made to the Basel II Capital Accord or the above-mentioned regulations, rules and instructions.

403-Declaration SNS REAAL N.V.

On 8 March 2006, SNS REAAL N.V. ("**SNS REAAL**") has deposited a statement pursuant to article 2:403 of the Netherlands Civil Code (the "**403-Declaration**") with the Commercial Register of the Chamber of Commerce in Maastricht, in which it has declared to be jointly and severally liable for the debts resulting from legal acts of BLG Hypotheekbank. On 19 May 2003, SNS REAAL has deposited a 403 Declaration with the Commercial Register of the Chamber of Commerce in Utrecht in which it has declared to be jointly and severally liable for the debts resulting from legal acts of SNS Regio Bank (together with the statement deposited on 8 March 2006, the "**403 Declarations**"). On the basis of the 403-Declarations, SNS REAAL will be jointly and severally liable with BLG Hypotheekbank and SNS Regio Bank respectively for debts incurred by BLG Hypotheekbank and SNS Regio Bank respectively resulting from legal acts, which include the Mortgage Receivables Purchase Agreement and the Administration Agreement.

SNS REAAL will have the right to withdraw any of the 403-Declarations at any time by depositing a declaration to this effect with the Commercial Register of the Chamber of Commerce in Maastricht or Utrecht, as the case may be. The Issuer has been advised that irrespective of such withdrawal SNS REAAL will continue to be jointly and severally liable for all debts incurred by BLG Hypotheekbank and SNS Regio Bank respectively resulting from legal acts.

SNS REAAL can also file a notice of its intention to terminate its remaining liability after withdrawal of any of the 403-Declarations. Such remaining liability will terminate if certain conditions are met, *inter alia*, that (i) BLG Hypotheekbank and/or, as the case may be, SNS Regio Bank no longer belongs to the same group of companies as SNS REAAL and (ii) a two (2) month notice period has expired and the relevant creditor has not opposed the intention to terminate in time or such opposition was dismissed by the court.

New Notes may not be recognized as eligible Eurosystem collateral

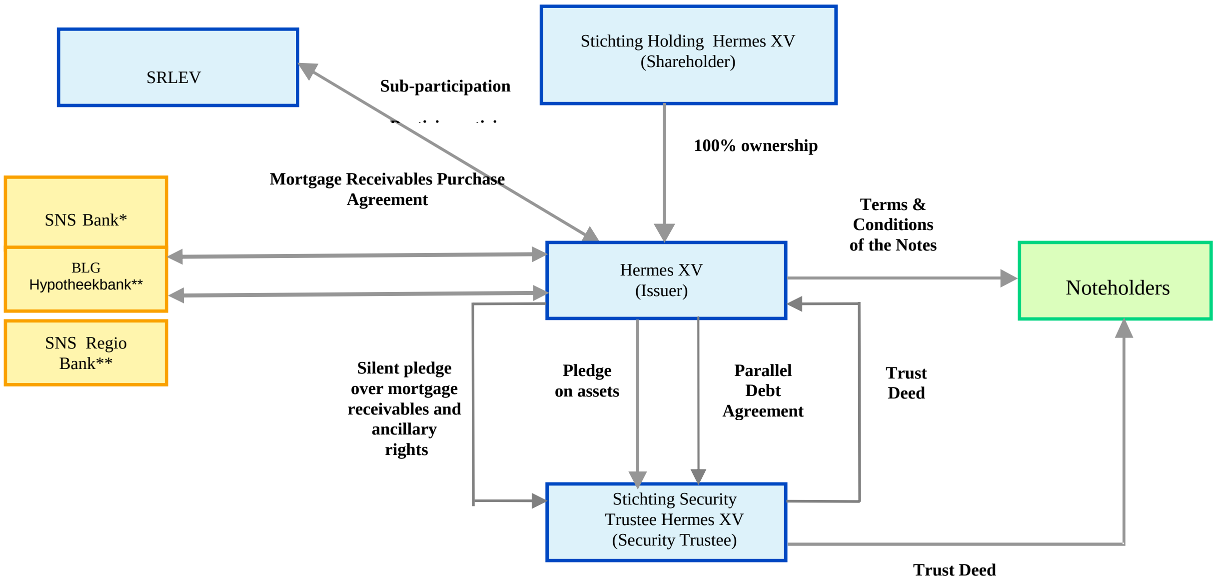
The New Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the New Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the New Notes will be recognized as eligible collateral for Eurosystem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

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 will not prove to be correct or will vary from actual results. Consequently, the actual result might differ from the projections and such differences might be significant.

STRUCTURE DIAGRAM

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



*	In its capacity as Seller, Seller Collection Account Provider, Issuer Administrator and Pool Servicer
**	In its capacity as Seller and Pool Servicer

OVERVIEW OF THE PARTIES AND PRINCIPAL FEATURES OF THE TRANSACTION

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

PARTIES:

Issuer:	Holland Mortgage Backed Series (Hermes) XV B.V., incorporated under the laws of the Netherlands 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 of Amsterdam under number 34299745.
Issuer Administrator	SNS Bank in its capacity as issuer administrator under the Administration Agreement or its successor or successors;
Pool Servicers:	SNS Bank, BLG Hypotheekbank and SNS Regio Bank in their capacities as pool servicers under the Administration Agreement or their successor or successors;
Sellers :	SNS Bank N.V. ("**SNS Bank**"), incorporated under the laws of the Netherlands as a public limited liability company ("*naamloze vennootschap*"), BLG Hypotheekbank N.V. ("**BLG Hypotheekbank**") incorporated under the laws of the Netherlands as a public limited liability company ("*naamloze vennootschap*") and SNS Regio Bank N.V. ("**SNS Regio Bank**") incorporated under the laws of the Netherlands as a public limited liability company ("*naamloze vennootschap*") (each a "Seller" and together the "Sellers");
Security Trustee:	Stichting Security Trustee Holland Mortgage Backed Series (Hermes) XV, established under the laws of the Netherlands as a foundation ("*stichting*") and registered with the Commercial Register at the Chamber of Commerce in Amsterdam under number 34298928.
Shareholder:	The entire issued share capital of the Issuer was formerly held by Stichting Holland Euro-Denominated Mortgage-Backed Series (Hermes) and has been transferred on 16 June 2010 to Stichting Holding Mortgage Backed Series (Hermes) XV, established under the laws of the Netherlands as a foundation ("*stichting*").
Directors:	ATC Management B.V., the sole director of the Issuer, ANT Trust & Corporate Services N.V., the sole director of the Security Trustee and ATC Corporate Services (Netherlands) B.V., the sole director of the Shareholder (each a "Director" and together the "Directors"). ATC Management B.V. and ATC Corporate Services (Netherlands) B.V. belong to the same group of companies.

Savings Insurance Company:	SRLEV N.V., incorporated under the laws of the Netherlands as a public limited liability company ("*naamloze vennootschap*").
Cash Advance Facility Provider:	BNP Paribas.
Floating Rate GIC Provider:	Coöperatieve Centrale Raifeissen-Boerenleenbank B.A. ("**Rabobank**"), incorporated under the laws of the Netherlands as a co-operative ("*coöperatie*").
Swap Counterparty:	Deutsche Bank A.G., London Branch
Paying Agent:	The Royal Bank of Scotland N.V. (the "**Paying Agent**" or "**The Royal Bank of Scotland N.V.**"), incorporated under the laws of the Netherlands as a public limited liability company ("*naamloze vennootschap*")
Reference Agent:	The Royal Bank of Scotland N.V.
Common Safekeeper:	Euroclear Bank S.A./N.V.
Senior Class A Manager:	Deutsche Bank A.G., London Branch
Junior Class D Manager:	SNS Bank N.V.
Arranger:	Deutsche Bank A.G., London Branch (the "**Arranger**")

THE NOTES:

New Notes:	The euro 1,500,000,000 Senior Class A Mortgage-Backed Floating Rate Notes 2010 due 2042 (the "**Senior Class A Notes**") and the euro 18,350,000 Junior Class D Mortgage-Backed Floating Rate Notes 2010 due 2042 (the "**New Junior Class D Notes**" and together with the Senior Class A Notes, the "**New Notes**") will be issued by the Issuer on 18 June 2010 (or such later date as may be agreed between the Issuer, each Seller and the Managers) (the "**Closing Date**").
Restructuring:	On the Initial Closing Date the Issuer issued 2,752,100,000 Senior Class A Mortgage-Backed Notes 2008 due 2042 (the "**Old Senior Class A Notes**"), the euro 23,200,000 Mezzanine Class B Mortgage-Backed Notes 2008 due 2042 (the "**Mezzanine Class B Notes**"), the euro 78,300,000 Mezzanine Class C Mortgage-Backed Notes 2008 due 2042 (the "**Mezzanine Class C Notes**"), the euro 20,300,000 Junior Class D Mortgage-Backed Notes 2008 due 2042 (the "**Old Junior Class D Notes**", and together with the New Junior Class D Notes, the "**Junior Class D Notes**"), and the euro 26,100,000 Subordinated Class E Mortgage-Backed Notes 2008 due 2042 (the "**Subordinated Class E Notes**" and together with the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes and the Junior Class D Notes, the "**Notes**"). The New Junior Class D Notes will be fungible with the Old Junior Class D Notes

On the Closing Date the Issuer will apply the net proceeds of the issue of the New Notes and the proceeds of the sale of part of the Mortgage Receivables (i) to redeem the Old Senior Class A Notes in full and (ii) to partially redeem, on a pro rata basis, the Mezzanine Class B Notes and the Mezzanine Class C Notes on the Closing Date. As a consequence of the restructuring on the Closing Date the Principal Amount Outstanding (i) of the Mezzanine Class B Notes will be euro 9,750,000, (ii) of the Mezzanine Class C Notes will be euro 43,650,000, (iii) of the Junior Class D Notes will be euro 38,650,000 and (iv) of the Subordinated Class E Notes will be euro 26,100,000.

As part of the restructuring of the transaction, the Issuer will on the Closing Date sell and assign to the relevant Sellers the Relevant Mortgage Receivables having an Outstanding Principal Amount of euro 1,281,850,000.

The holders of the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes and the Subordinated Class E Notes have resolved that the terms and conditions applicable to the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes and the Subordinated Class E Notes, respectively, will be amended and restated in accordance with the Conditions set out herein. See *Terms and Conditions of the Notes*.

Issue Price: The issue prices of the New Notes will be as follows:
(i) the Senior Class A Notes 100 per cent.; and
(ii) the New Junior Class D Notes 100 per cent

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

Denomination: The New Notes will be issued in denominations of euro 50,000.

Status and Ranking: The Senior Class A Notes rank *pari passu* without any preference or priority among themselves. In accordance with the Conditions and the Trust Deed (i) payments of principal and interest on the Mezzanine Class B Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, (ii) payments of principal and interest on the Mezzanine Class C Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes and the Mezzanine Class B Notes, (iii) payments of principal and interest on the Junior Class D Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, the Mezzanine Class B Notes and the Mezzanine Class C Notes and (iv) payments of principal and interest on the Subordinated Class E Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes and the Junior Class D Notes. See further Terms and Conditions of the Notes below.

Interest:

Interest on the Notes is payable by reference to successive interest periods. Each successive interest period will commence on (and include) a Payment Date and end on (but exclude) the next succeeding Payment Date (each a "**Interest Period**"). The interest will be calculated on the basis of the actual days elapsed in the Interest Period and a 360 day year.

Interest on the Notes will be payable quarterly in arrear in Euros, in each case in respect of the Principal Amount Outstanding of each Class of Notes on the Closing Date and the 18th day of January, April, July, October (or, if such day is not a Business Day, the next succeeding Business Day, unless such Business Day falls in the next succeeding calendar month in which event interest on the Notes will be payable on the Business Day immediately preceding such day) in each calendar year (each such day being a "**Payment Date**").

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

Interest on the Notes for each 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 Euros (determined in accordance with Condition 4(e)) (or, in respect of the first Interest Period, the Euribor rate for one month deposits in euro), plus up to (and including) the Payment Date falling in April 2015 (the "**Step-Up Date**"):

(i) for the Senior Class A Notes, a margin of 1.30 per cent. per annum;

(ii) for the Mezzanine Class B Notes, a margin of 0.60 per cent. per annum;

(iii) for the Mezzanine Class C Notes, a margin of 1.10 per cent. per annum;

(iv) for the Junior Class D Notes, a margin of 1.80 per cent. per annum; and

(v) for the Subordinated Class E Notes, a margin of 9.75 per cent. per annum.

Step-Up:

If on the Step-Up Date the Notes have not been redeemed in full, the rate of interest applicable to each Class of Notes that will accrue in the Interest Period commencing on the Step-Up Date and each Interest Period thereafter at an annual rate equal to the sum of Euribor for three months deposits in Euros determined in accordance with Condition 4(e), plus a margin which will be:

(i) for the Senior Class A Notes, a margin of 2.60 per cent. per annum;

(ii) for the Mezzanine Class B Notes, a margin of 1.50 per cent. per annum;

(iii) for the Mezzanine Class C Notes, a margin of 2.20 per cent. per annum;

(iv) for the Junior Class D Notes, a margin of 2.70 per cent. per annum; and

(v) for the Subordinated Class E Notes, a margin of 15.00 per cent. per annum.

Mandatory Redemption of the Notes: The Issuer will be obliged to apply the Redemption Available Amount to redeem, whether in full or in part, at their respective Principal Amount Outstanding the Notes on each Payment Date on a *pro rata* basis in the following order: (i) the Senior Class A Notes until fully redeemed and, thereafter (ii) the Mezzanine Class B Notes until fully redeemed and, thereafter, (iii) the Mezzanine Class C Notes until fully redeemed and, thereafter, (iv) the Junior Class D Notes until fully redeemed and, thereafter, (v) the Subordinated Class E Notes until fully redeemed.

Optional Redemption of the Notes: Unless previously redeemed in full, the Issuer will have the option to redeem all of the Notes, but not some only, on the Payment Date falling in April 2015 and on each Payment Date thereafter (each an "**Optional Redemption Date**") at their Principal Amount Outstanding less (i) in the case of the Mezzanine Class B Notes, a Mezzanine Class B Principal Shortfall (if any), (ii) in the case of the Mezzanine Class C Notes, a Mezzanine Class C Principal Shortfall (if any), (iii) in the case of the Junior Class D Notes, a Junior Class D Principal Shortfall (if any) and (iv) in the case of the Subordinated Class E Notes, a Subordinated Class E Principal Shortfall (if any), all subject to and in accordance with the Conditions, in particular Conditions 6(e) and 9(b).

Further Mandatory Redemption: If on the Step-Up Date the Notes have not been redeemed in full, the Issuer will, without prejudice to its obligation to apply (part of) the Redemption Available Amount in (partial) redemption of the Notes, be obliged to apply an amount equal to the positive difference, if any, between the Interest Available Amount and the sum of all amounts payable by the Issuer in accordance with the Interest Priority of Payments under (a) up to and including (p) (the "**Further Redemption Available Amount**") to redeem (or partially redeem) the Notes on each Payment Date after the Step-Up Date on a *pro rata* basis in the following order, (a) the Senior Class A Notes until fully redeemed, and, thereafter, (b) the Mezzanine Class B Notes until fully redeemed, and, thereafter, (c) the Mezzanine Class C Notes until fully

	redeemed, and, thereafter, (d) the Junior Class D Notes until fully redeemed, and, thereafter, (e) the Subordinated Class E Notes.
Final Maturity Date for the Notes:	Unless previously redeemed, the Issuer will, subject to Condition 9(b), redeem all of the New Notes at their respective Principal Amount Outstanding on the Payment Date falling in April 2042.
Redemption for tax reasons:	If (i) the Issuer is or will be obliged to make any withholding or deduction for, or on account of, any taxes, duties or charges of whatsoever nature from payments in respect of any Class of Notes as a result of any change in, or amendment to, the laws or regulations of the Netherlands (including any guidelines issued by the tax authorities) or any other jurisdiction 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 (ii) the Issuer will have sufficient funds available on the relevant 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 in accordance with the Trust Deed, then the Issuer has the option to redeem the Notes, in whole but not in part, on any Payment Date at their Principal Amount Outstanding, subject to Condition 9(b), together with interest accrued up to and including the date of redemption. No Class of Notes may be redeemed under such circumstances unless all Classes of Notes (or such of them as are then outstanding) are also redeemed in full at the same time.
Withholding Tax:	All payments of, or in respect of, principal of and interest on the Notes will be made without withholding of, or deduction for, or on account of any present or future taxes, duties, assessments or charges of whatsoever nature imposed or levied by or on behalf of the Netherlands, any authority therein or thereof having power to tax unless the withholding or deduction of such taxes, duties, assessments or charges are required by law. In that event, the Issuer will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the Noteholders, as the case may be, and shall not pay any additional amounts to such Noteholders. In particular, but without limitation, no additional amounts shall be payable in respect of any Note or Coupon presented for payment, where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to the European Union Directive on the taxation of savings that was adopted on 3 June 2003 or any law implementing or complying with, or introduced in order to conform to, such Directive.
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 a common safekeeper for Euroclear and Clearstream, Luxembourg for the credit of the respective accounts of the Noteholders.

Use of proceeds: The Issuer will use the net proceeds from the issue of the New Notes towards redemption of the Old Senior Class A Notes and partial redemption of the Mezzanine Class B Notes and the Mezzanine Class C Notes.

<u>THE MORTGAGE RECEIVABLES</u>:

Mortgage Receivables: On 28 May 2008 the Issuer has entered into the Mortgage Receivables Purchase Agreement, with the Seller (the "**Mortgage Receivables Purchase Agreement**"), as amended and restated on 16 June 2010, under which it has agreed to purchase and accept the assignment of any and all rights (the "**Mortgage Receivables**", of each Seller against certain borrowers (the "**Borrowers**") under or in connection with certain pre-selected Mortgage Loans. 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 redemption of the Relevant Mortgage Receivables. Under the Mortgage Receivables Purchase Agreement, each Seller will assign such Beneficiary Rights to the Issuer and the Issuer will accept such assignment.

Mortgage Loans: The Mortgage Receivables sold by each Seller pursuant to the Mortgage Receivables Purchase Agreement result from loans secured by a first-ranking mortgage right over (i) a real property ("*onroerende zaak*"), (ii) an apartment right ("*appartementsrecht*") or (iii) a long lease ("*erfpacht*") and together with real property and apartment rights, the "**Mortgaged Assets**"), situated in the Netherlands and entered into by the relevant Seller and the relevant Borrowers which meet criteria set forth in the Mortgage Receivables Purchase Agreement and which have been selected prior to or on the Initial Closing Date or, as the case may be, will be selected prior to or on the relevant Payment Date (the "**Mortgage Loans**"). The Mortgage Loans will consist of interest-only mortgage loans ("*aflossingsvrije hypotheken*"), (in respect of SNS Bank and SNS Regio Bank only) savings mortgage loans ("*spaarhypotheken*"), linear mortgage loans ("*lineaire hypotheken*"), annuity mortgage loans ("*annuïteitenhypotheken*"), investment-based mortgage loans ("*beleggingshypotheken*"), (in respect of BLG Hypotheekbank and SNS Regio Bank only) life mortgage loans ("*levenhypotheken*") or combinations of any of these types of mortgage loans. Mortgage Loans may consist of one or more loan parts ("*leningdelen*"), each of which normally constitutes a different mortgage type agreed with the relevant Borrower. If a Mortgage Loan consists of one or more of such loan parts, the relevant Seller shall sell and assign and the Issuer shall purchase and accept the assignment of all, but not some, loan parts of such Mortgage Loan. See further *Description of Mortgage Loans* below.

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

Life Insurance Policies: The interest-only mortgage loans (the "**Interest-only Mortgage Loans**"), to the extent compulsory under the relevant acceptance conditions have the benefit of combined risk and capital life insurance policies, and the life mortgage loans (the "**Life Mortgage Loans**") have the benefit of life insurance policies, (together the "**Life Insurance Policies**"). The Life Insurance Policies are taken out by Borrowers with a life insurance company ("**Life Insurance Company**"), which Life Insurance Company may also belong to the SNS REAAL Group. For a description of SNS REAAL Group, see SNS Bank N.V. below. See further *Risk Factors* and *Mortgage Receivables Purchase Agreement* below.

Risk Insurance Policies: Mortgage Loans, to the extent compulsory under the relevant acceptance conditions, have the benefit of an insurance policy containing only a risk insurance policy which pays out upon the death of the insured, but not a capital insurance policy (the "**Risk Insurance Policy**"), which Risk Insurance Policy covers as a minimum the excess over the percentage threshold over the Foreclosure Value of the Mortgaged Assets at which such Insurance Policy becomes compulsory.

Savings Insurance Policies: A portion of the Mortgage Loans originated by SNS Bank and SNS Regio Bank will be in the form of savings mortgage loans ("*spaarhypotheken*", hereinafter "**Savings Mortgage Loans**"), which consist of Mortgage Loans entered into by SNS Bank or SNS Regio Bank and the relevant Borrowers combined with an insurance policy (a "**Savings Insurance Policy**") with the Savings Insurance Company. The Mortgage Receivables relating to the Savings Mortgage Loans will hereinafter be referred to as the "**Savings Mortgage Receivables**". A Savings Insurance Policy is a combined risk and capital insurance policy taken out by the relevant Borrower with the Savings Insurance Company in connection with the relevant Savings Mortgage Loan. Under the Savings Mortgage Loan no principal is paid by the Borrower prior to maturity of the Mortgage Loan. Instead, the Borrower/insured pays premium on a monthly basis, which consists of a risk element and a savings element (the "**Savings Premium**"). The Savings Premium is calculated in such a manner that, on an annuity basis, the proceeds of the Savings Insurance Policy (with respect to SNS Bank that with the Savings Alternative) due by the Savings Insurance Company to the relevant Borrower is equal to the amount due by the Borrower to the relevant Seller at maturity of the Savings Mortgage Loan. Most of the Savings Mortgage Loans originated by SNS Bank are in the form of savings plus mortgage loans ("Savings Plus Mortgage Loans") ("*Spaarhypotheken Plus*"), whereby the Savings Premium under the Savings Insurance Policy is either (i) deposited by the Savings Insurance Company in a savings account held with SNS Bank (the "**Savings Alternative**") or (ii), at the option of the Borrower invested in certain investment funds offered by SNS

Beleggingsfondsen N.V. (the "**Investment Alternative**"). See further *Risk Factors* and *Description of the Mortgage Loans*.

Repurchase of Mortgage Receivables:

In the Mortgage Receivables Purchase Agreement, each Seller has undertaken to repurchase and accept re-assignment of a Relevant Mortgage Receivable:

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

(ii) on the Mortgage Payment Date immediately following the date on which the relevant Seller agrees with a Borrower to grant a further advance under a Relevant Mortgage Loan, which may include a new mortgage loan, which is only secured by the mortgage right which also secures the Relevant Mortgage Receivable (the "**Mortgage Loan Further Advance**");

(iii) on the Mortgage Payment Date immediately following the date on which the relevant Seller agrees with a Borrower to amend the terms of the Relevant Mortgage Loan, or part of such Mortgage Loan and as a result thereof such Mortgage Loan no longer meets certain eligibility criteria set forth in the Mortgage Receivables Purchase Agreement ("**Mortgage Loan Amendment**"); and

(iv) on the Mortgage Payment Date immediately following the date on which SNS Bank or the Savings Insurance Company complies with a request from the Borrower under the terms of a Savings Plus Mortgage Loan originated by SNS Bank with the Savings Alternative to switch whole or part of the premia accumulated in the relevant Savings Insurance Policy with the Savings Alternative into the Investment Alternative (the "**Savings Switch**").

The purchase price for the Mortgage Receivable in such event will be equal to the Outstanding Principal Amount of the Mortgage Receivable, 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 re-assignment of the Mortgage Receivable except if:
(i) it concerns a repurchase of the Mortgage Receivable as a result of a Mortgage Loan Amendment; and
(ii) such Mortgage Receivable is either in arrears for a period exceeding 90 days or in respect of such Mortgage Receivable an instruction has been given to the civil-law notary to publicly sell the Mortgaged Assets,
in which case the purchase price shall be at least the lesser of (x) the sum of an amount equal to the indexed foreclosure value of the Mortgaged Assets, and (y) 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.

Clean-Up Call Option:

On each Payment Date the Sellers, acting jointly, have the option (but not the obligation) to repurchase the Mortgage Receivables if on the Calculation Date immediately preceding such Payment Date the aggregate Outstanding Principal Amount of the Mortgage Receivables is not more than 10 per cent. of the aggregate Outstanding Principal Amount of the Mortgage Receivables on the Cut-off Date (the "**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, or any third party appointed by the relevant Seller at its sole discretion, in case the Sellers exercise the Clean-Up Call Option. The proceeds of such sale shall be applied by the Issuer towards redemption of the Notes subject to and in accordance with Conditions 6(f) and 9(b). The purchase price will be calculated as described in *Sale of Mortgage Receivables* in *Credit Structure* below.

Sale of Mortgage Receivables on Optional Redemption Date:

The Issuer has the right to sell and assign all, but not some, of the Mortgage Receivables on each Optional Redemption Date, provided that the Issuer shall apply the proceeds of such sale, to the extent relating to principal, to redeem the Notes (see Optional Redemption of the Notes). If the Issuer decides to offer for sale the Relevant Mortgage Receivables on an Optional Redemption Date, it will first offer such Relevant Mortgage Receivables to the relevant Seller. The purchase price of each Mortgage Receivable in the event of such sale shall be equal to the Outstanding Principal Amount, together with accrued interest due but unpaid and reasonable costs, if any, of each Mortgage Receivable, except that with respect to Mortgage Receivables which are in arrears for a period exceeding 90 days or in respect of which an instruction has been given to the civil-law notary to publicly sell the Mortgaged Assets, the purchase price shall be at least the lesser of (i) the sum of an amount equal to the indexed foreclosure value of the Mortgaged Assets 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.

Sub-Participation Agreement:

On the Initial Closing Date, the Issuer entered into a sub-participation agreement, as amended and restated on the Closing Date (the "**Sub-Participation Agreement**") with the Savings Insurance Company under which the Savings Insurance Company has acquired participations in the relevant Savings Mortgage Receivables equal to amounts of Savings Premium paid by the relevant Borrower to the Savings Insurance Company in respect of a Savings Insurance Policy (with respect to SNS Bank, that with the Savings Alternative). In the Sub-Participation Agreement the Savings Insurance Company undertakes to pay to the Issuer amounts equal to all amounts received as Savings Premium on the relevant Savings Insurance Policies. In return, the Savings Insurance Company is entitled to receive the Participation Redemption Available Amount from the Issuer. The amount of the Participation with respect to a Savings Mortgage Receivable (with respect to SNS Bank, that with the Savings Alternative), consists of (a) the initial participation at the purchase date of a Mortgage Receivable to which a Savings Insurance Policy (with respect to SNS Bank, that with the Savings Alternative) is connected (which is equal to the sum of all amounts due to the Savings Insurance Company as Savings Premium and accrued interest), (b) increased on a monthly basis with the sum of (i) amounts equal to the Savings Premium received by the Savings Insurance Company and paid to the Issuer and (ii) a *pro rata* part, corresponding to the Participation in the relevant Savings Mortgage Receivable with the Savings Alternative, of the interest paid by the Borrower in respect of such Savings Mortgage Receivable. The amount of the Participation at the Closing Date amounts to euro 7,070,247.02. See further *Sub-Participation Agreement* below.

Security for the Notes:

The Notes will be secured:
(i) by a first ranking undisclosed right of pledge by the Issuer to the Security Trustee over (a) the Mortgage Receivables, including all rights ancillary thereto and (b) the Beneficiary Rights; and

(ii) by a first ranking disclosed right of pledge by the Issuer to the Security Trustee over the Issuer's rights under or in connection with the Mortgage Receivables Purchase Agreement, the Cash Advance Facility Agreement, the Administration Agreement, the Sub-participation Agreement, the Swap Agreement and the Floating Rate GIC and in respect of the Floating Rate GIC Account.

After delivery of an Enforcement Notice, the amounts payable to the Noteholders and the other Secured Parties will be limited to the amounts available for such purpose to the Security Trustee which, *inter alia*, will consist of amounts recovered by the Security Trustee 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 Parties will be made in accordance with the Priority of Payments upon Enforcement. See further *Credit Structure* and *Description of Security* below.

Parallel Debt Agreement:

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

Administration Agreement:

Under the terms of an administration agreement entered into on the Initial Closing Date (the "**Administration Agreement**") between the Issuer, the Pool Servicers, the Issuer Administrator and the Security Trustee, (a) the relevant Pool Servicer has agreed (i) to provide administration and management services in relation to the Relevant 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 Relevant Mortgage Loans and the implementation of arrears procedures including, if applicable, the enforcement of mortgages (see further Sellers and Residential Mortgage Business below); (ii) to communicate with the relevant Borrowers and (iii) to investigate payment delinquencies; and (b) the Issuer Administrator has agreed to provide certain administration, calculation and cash management services for the Issuer on a day-to-day basis, including without limitation, all calculations to be made pursuant to the Conditions in connection with the Notes.

Cash Advance Facility:

On the Initial Closing Date, the Issuer has entered into a 364 day term cash advance facility agreement with SNS Bank as the Cash Advance Facility Provider (the "**Cash Advance Facility Agreement**") under which the Issuer is entitled to make drawings in order to meet certain shortfalls in its available revenue receipts. The rights and obligations under the Cash Advance Facility Agreement have been transferred from SNS Bank to BNP Paribas on 28 April 2010. See further the chapter *Credit Structure* starting on page 43 of this Prospectus.

Floating Rate GIC:

The Issuer and SNS Bank as the Floating Rate GIC Provider have entered into a floating rate guaranteed investment contract (the "**Floating Rate GIC**") on the Initial Closing Date, under which the Floating Rate GIC Provider has agreed to pay a guaranteed rate of interest determined by reference to Euribor on the balance standing to the credit of the Floating Rate GIC Account from time to time. The rights and obligations under the Floating Rate GIC have been transferred by SNS Bank to Rabobank on 27 January 2010.

Floating Rate GIC Account

:

The Issuer shall maintain with the Floating Rate GIC Provider an account (the "**Floating Rate GIC Account**") to which on each Mortgage Payment Date all amounts of interest, prepayment penalties and principal received under the Mortgage Receivables will be transferred by the relevant

	Pool Servicer in accordance with the Administration Agreement.
Swap Agreement:	On the Initial Closing Date, the Issuer has entered into an ISDA Master Agreement (which shall include the schedule attached thereto, the credit support annex and the confirmation (the "**Confirmation**") evidencing the transaction thereunder) with SNS Bank as the swap counterparty to hedge the basis risk between the interest to be received by the Issuer on the Mortgage Receivables and the floating rate of interest payable by the Issuer on the Notes (see further the chapter *Credit Structure* starting on page 43 of this Prospectus).). On the Closing Date, the Issuer will enter into an ISDA Master Agreement (which shall include the schedule attached thereto and the credit support annex) with the Swap Counterparty and the Confirmation will be transferred by way of novation to the Swap Counterparty (the "**Swap Agreement**").
Management Agreements:	Each of the Issuer, the Security Trustee and the Shareholder have entered into a management agreement (together the "**Management Agreements**") 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.

<u>OTHER:</u>

Risk Factors:	There are certain factors which may affect the Issuer's ability to fulfil its obligations under the New Notes. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with the New Notes. Both these factors are described in Risk Factors in this Prospectus.
Listing:	Application has been made for the New Notes to be listed on Euronext Amsterdam.
Ratings:	It is a condition precedent to issuance that the Senior Class A Notes, on issue, be assigned a "Aaa" rating by Moody's and a "AAA" rating by Fitch and the New Junior Class D Notes, on issue, be assigned at least a "Ba1" rating by Moody's and a "BBB+" rating by Fitch.
Settlement:	Euroclear and Clearstream, Luxembourg.
Governing Law:	The New Notes will be governed by and construed in accordance with the laws of the Netherlands.

IMPORTANT INFORMATION

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

SNS Bank is solely responsible for the information contained in the following sections of this Prospectus: *Overview of the Dutch Residential Mortgage Market, SNS Bank N.V, Sellers and Residential Mortgage Business* and *Description of Mortgage Loans*. To the best of SNS Bank's knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained and specified as such in these paragraphs is in accordance with the facts and does not omit anything likely to affect the import of such information. Any information from third-parties contained and specified as such in these paragraphs has been accurately reproduced and as far as SNS Bank 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. SNS Bank 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 New Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, each Seller or the Managers.

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

Persons into whose possession this Prospectus (or any part thereof) comes are required to inform themselves about, and to observe, any such restrictions. A fuller description of the restrictions on offers, sales and deliveries of the New Notes and on the distribution of this Prospectus is set out in the section entitled *Purchase and Sale* starting on page 108 below. No one is authorised by the Issuer or each Seller to give any information or to make any representation concerning the issue of the New Notes other than those contained in this Prospectus in accordance with applicable laws and regulations.

Each investor contemplating purchasing any New 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 New Notes constitutes an offer or invitation by or on behalf of the Issuer or the Managers to any person to subscribe for or to purchase any New Notes.

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

Each Manager expressly does not undertake to review the financial conditions or affairs of the Issuer during the life of the New 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 New Notes during the life of the New Notes.

The New Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") and include New Notes in bearer form that are subject to United States tax law requirements. The New Notes may not be offered, sold or delivered within the United States or to United States persons as defined in Regulation S under the Securities Act, except in certain transactions permitted by US tax regulations and the Securities Act (see the section *Purchase and Sale* starting on page 108 below).

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

CREDIT STRUCTURE

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

Mortgage Loan Interest Rates

The Mortgage Receivables bear interest on the basis of any of the following alternatives: (i) fixed rate, whereby the rates can be fixed for a specific period between 1 to 30 years; (ii) floating rate; or (iii) slight variations to any of the above (as further described in the section *Description of Mortgage Loans* starting on page 64 below). The Mortgage Loan Criteria permit Mortgage Receivables bearing alternative types of interest offered by each Seller.

The actual amount of revenue received by the Issuer under the Mortgage Receivables Purchase Agreement will vary during the life of the Notes as a result of the level of delinquencies, defaults, repayments and prepayments in respect of the Mortgage Receivables. Similarly, the actual amounts payable under the Interest Priority of Payments will vary during the life of the transaction as a result of fluctuations in Euribor and possible variations in certain other costs and expenses of the Issuer. The eventual effect of such variations could lead to drawings, and the replenishment of such drawings, under the Cash Advance Facility and to non-payment of certain items under the Interest 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 arrears. All payments made by Borrowers will be paid into the relevant collection account (for SNS Bank the "**SNS Bank Collection Account**" for BLG Hypotheekbank the "**BLG Collection Account**" and for SNS Regio Bank the "SNS Regio Bank Collection Account" and together the "**Seller Collection Accounts**") maintained with SNS Bank (in this capacity the "**Seller Collection Account Provider**"). The relevant Seller Collection Account will also be used for the collection of moneys paid in respect of mortgage loans other than the Mortgage Loans and in respect of other moneys belonging to the relevant Seller.

If the rating of the short-term, unsecured and unguaranteed debt obligations of SNS Bank falls below Prime-1 by Moody's or F1 by Fitch (the "**Short Term Requisite Rating**"), each Seller has the obligation to maintain the then current ratings assigned to the Notes by Fitch, within 14 calendar days of such downgrade either: (i) ensure that payments to be made in respect of amounts received on the relevant Seller Collection Account relating to the Mortgage Receivables will be guaranteed by a party having at least the Short Term Requisite Rating or (ii) (a) open an escrow account in the name of the Issuer, for its own account, with a party having at least the Short Term Requisite Rating, and (b) transfer to the escrow account an amount equal to the highest single amount of principal, interest and pre-payment penalties received in respect of the Mortgage Receivables since the Initial Closing Date on the Floating Rate GIC Account during one Mortgage Calculation Period; or (iii) implement any other actions agreed at that time with Fitch.

As the rating of the short-term, unsecured and unguaranteed debt obligations of SNS Bank has fallen below F1 by Fitch, each Seller will, to maintain the ratings assigned to the Notes by Fitch, (a) open an escrow account in the name of the Issuer, for its own account, with the Floating Rate GIC Provider and (b) transfer on the first Mortgage Payment Date to the escrow account in the name of the Issuer, an amount equal to the amount of principal, interest and pre-payment penalties received in respect of the Mortgage Receivables since the Closing Date on the Floating Rate GIC Account during one Mortgage Calculation Period.

On each "**Mortgage Payment Date**" (being the 8th business day following each Mortgage Calculation Period End Date (defined below)) the relevant Pool Servicer shall transfer all amounts of principal, interest and prepayment penalties received by the relevant Seller in respect of the Relevant Mortgage Receivables and paid to the relevant Seller Collection Account during the immediately preceding Mortgage Calculation Period, to the Floating Rate GIC Account.

For these purposes a "**Mortgage Calculation Period**" is the period commencing on (and including) the first day of each calendar month and ending on (and including) the last day of such calendar month (the "**Mortgage Calculation Period End Date**"), except for the first Mortgage Calculation Period which commenced on (and included) the Cut-off Date and ended on (and included) 31 May 2008.

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

The Issuer Administrator will identify all amounts paid into the Floating Rate GIC Account by crediting such amounts to ledgers established for such purpose. Payments received on each Mortgage Payment Date in respect of the Mortgage Loans will be identified as principal or revenue receipts and credited to a principal ledger (the "**Principal Ledger**") or a revenue ledger (the "**Revenue Ledger**"), as the case may be. Further ledgers will be maintained to record amounts held in the Floating Rate GIC in respect of certain drawings made under the Cash Advance Facility (see further *Cash Advance Facility* below).

Payments may be made from the Floating Rate GIC Account other than on a Payment Date only to satisfy (i) amounts due to third parties (other than pursuant to the Relevant Documents) and under obligations incurred in connection with the Issuer's business and (ii) amounts due to the Savings Insurance Company under the Sub-Participation Agreement.

If at any time the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Floating Rate GIC Provider are assigned a rating of less than Prime-1 by Moody's or F1 by Fitch or any such rating is withdrawn by Moody's and/or Fitch, the Issuer will be required within 30 days of such reduction or withdrawal of such rating to (i) transfer the Floating Rate GIC Account to an alternative Floating Rate GIC provider with the required minimum rating or (ii) find any other solution acceptable to Fitch to maintain the then current ratings assigned to the Notes by Fitch.

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

"**Excess Swap Collateral**" means an amount equal to the value of any collateral transferred to the Issuer by the Swap Counterparty under the Swap Agreement that is in excess of the Swap Counterparty's liability to the Issuer thereunder (i) as at the date such Swap Agreement is terminated or (ii) as at any other date of valuation in accordance with the terms of the Swap Agreement.

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

Priority of Payments in respect of interest
Prior to the delivery of an Enforcement Notice by the Security Trustee, the sum of the following amounts, calculated as at each Calculation Date (being the second business day prior to each Payment Date) and which have been received during the Calculation Period immediately preceding such Calculation Date (items (i) up to and including (xi) being hereafter referred to as the "**Interest Available Amount**"):

(i) as interest on the Mortgage Receivables less, with respect to each Savings Mortgage Receivable which is subject to a Participation, an amount equal to the amount received, multiplied by the relevant Participation divided by the Outstanding Principal Amount of such Savings Mortgage Receivable (the "**Participation Fraction**");

(ii) as interest accrued on the Floating Rate GIC Account;

(iii) as prepayment penalties under the Mortgage Receivables;

(iv) as Net Proceeds on any Mortgage Receivables to the extent such proceeds do not relate to principal less, with respect to each Savings Mortgage Receivable which is subject to a Participation, an amount equal to the amount received multiplied by the Participation Fraction;

(v) as amounts to be drawn under the Cash Advance Facility (other than Cash Advance Facility Stand-by Drawings) on the immediately succeeding Payment Date;

(vi) as amounts to be received from the Swap Counterparty under the Swap Agreement on the immediately succeeding Payment Date;

(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 less, with respect to each Savings Mortgage Receivable, which is subject to a Participation an amount equal to the amount received multiplied by the Participation Fraction;

(viii) as amounts received in connection with a sale of Mortgage Receivables pursuant to the Trust Deed to the extent such amounts do not relate to principal less, with respect to each Savings Mortgage Receivable which is subject to a Participation, an amount equal to the amount received multiplied by the Participation Fraction;

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

(x) any amounts standing to the credit of the Floating Rate GIC Account after all amounts of interest and principal due in respect of the Notes have been paid in full,

less

(xi) on the first Payment Date of each year, an amount equal to 10 per cent. of the annual fixed operational expenses of the Issuer, with a minimum of euro 2,500,

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

(a) *first*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of the fees or other remuneration due and payable to the Directors in connection with the Management Agreements and any costs, charges, liabilities and expenses incurred by the Security Trustee under or in connection with any of the Relevant Documents;

(b) *second*, in or towards satisfaction of an administration fee and all costs and expenses due and payable to the Pool Servicers and the Issuer Administrator under the Administration Agreement;

(c) *third*, in or towards satisfaction of, *pro rata*, according to the respective amounts thereof, (i) any amounts due and payable to third parties under obligations incurred in the Issuer's business (other than under the Relevant Documents), including, without limitation, in or towards satisfaction of sums due or provisions for any payment of the Issuer's liability, if any, to tax (to the extent such amounts cannot be paid out of item (xi) of the Interest Available Amount) and the fees and expenses of the Rating Agencies and any legal advisor, auditor and accountant, appointed by the Issuer or the Security Trustee, (ii) fees and expenses due to the Paying Agent and the Reference Agent under the Paying Agency Agreement and (iii) the Cash Advance Facility Commitment Fee under the Cash Advance Facility Agreement;

(d) *fourth*, (i) in or towards satisfaction of any amounts due and payable to the Cash Advance Facility Provider under the Cash Advance Facility Agreement, other than the Cash Advance Facility Commitment Fee or (ii) following a Cash Advance Facility Stand-by Drawing, in or towards satisfaction of sums to be credited to the Cash Advance Facility Stand-by Ledger, but excluding any gross-up amounts or additional amounts due under the Cash Advance Facility Agreement payable under sub-paragraph sub (r) below;

(e) *fifth*, in or towards satisfaction of amounts, if any, due but unpaid under the Swap Agreement (except for any termination payment due or payable as a result of the occurrence of an Event of Default where the Swap Counterparty is the Defaulting Party or an Additional Termination

Event relating to the credit rating of the Swap Counterparty, including a Settlement Amount (as such terms are defined in the Swap Agreement) (a "**Swap Counterparty Default Payment**"));

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

(g) *seventh*, 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;

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

(i) *ninth*, 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;

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

(k) *eleventh*, 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;

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

(m) *thirteenth*, 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;

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

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

(p) *sixteenth*, after the Step-Up Date, in or towards satisfaction of principal amounts due on (i) the Senior Class A Notes until fully redeemed, and, thereafter, (ii) the Mezzanine Class B Notes until fully redeemed, and, thereafter, (iii) the Mezzanine Class C Notes until fully redeemed, and, thereafter, (iv) the Junior Class D Notes until fully redeemed, and, thereafter, (v) the Subordinated Class E Notes until fully redeemed (see *Further Redemption Ledger* below);

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

(r) *eighteenth*, 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; and

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

Priority of Payments in respect of principal

Prior to the delivery of an Enforcement Notice by the Security Trustee, the sum of the following amounts, calculated as at any Calculation Date and which have been received during the immediately preceding Calculation Period (items (i) up to and including (viii) hereinafter referred to as the "**Redemption Available Amount**"):

(i) as repayment and prepayment of principal under the Mortgage Receivables, excluding prepayment penalties, if any, less with respect to each Savings Mortgage Receivable which is subject to a Participation, the Participation in such Savings Mortgage Receivable;

(ii) as Net Proceeds on any Mortgage Receivable to the extent such proceeds relate to principal, less with respect to each Savings Mortgage Receivable which is subject to a Participation, the Participation in such Savings Mortgage Receivable;

(iii) as amounts received in connection with a repurchase of Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement and any other amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal, less with respect to each Savings Mortgage Receivable which is subject to a Participation, the Participation in such Savings Mortgage Receivable;

(iv) as amounts received in connection with a sale of Mortgage Receivables pursuant to the Trust Deed to the extent such amounts relate to principal, less with respect to each Savings

Mortgage Receivable which is subject to a Participation, the Participation in such Savings Mortgage Receivable;

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

(vi) as Participation Increase and as amounts to be received as Initial Participation on the immediately succeeding Payment Date pursuant to the Sub-Participation Agreement; and

(vii) as amounts equal to the excess (if any) of (a) the sum of the aggregate proceeds of the issue of the Notes and the Initial Participation in respect of the Savings Mortgage Receivables over (b) the Outstanding Principal Amount.

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

(a) *first*, in or towards satisfaction of principal amounts due under the Senior Class A Notes;

(b) *second*, in or towards satisfaction of principal amounts due under the Mezzanine Class B Notes;

(c) *third*, in or towards satisfaction of principal amounts due under the Mezzanine Class C Notes;

(d) *fourth*, in or towards satisfaction of principal amounts due under the Junior Class D Notes;

(e) *fifth*, in or towards satisfaction of principal amounts due under the Subordinated Class E Notes; and

(f) *sixth*, in or towards satisfaction of a Deferred Purchase Price Instalment to the Sellers.

Priority of Payments upon Enforcement

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

(a) *first*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of (i) the fees or other remuneration due to the Directors, (ii) the fees and expenses of the Paying Agent and the Reference Agent incurred under the provisions of the Paying Agency Agreement and (iii) the fees and expenses of the Pool Servicers and the Issuer Administrator under the Administration Agreement;

(b) *second*, to the Cash Advance Facility Provider, in or towards satisfaction of any sums due or accrued due but unpaid under the Cash Advance Facility Agreement, but excluding any gross-up amounts or additional amounts due under the Cash Advance Facility Agreement payable under sub-paragraph (o) below;

(c) *third*, in or towards satisfaction of amounts, if any, due but unpaid to the Swap Counterparty under the Swap Agreement, including Settlement Amounts (as defined in the Swap Agreement) to be paid by the Issuer upon early termination of the Swap Agreement (as determined in accordance with its terms), but excluding any other costs to be paid by the Issuer on such early termination payable under subparagraph (n) below;

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

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

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

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

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

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

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

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

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

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

(n) *fourteenth*, to the Swap Counterparty in or towards payment of any amounts due under the Swap Agreement in connection with the Issuer's obligations in respect of a the costs (other than Settlement Amounts) to be paid by the Issuer upon an early termination of the Swap Agreement, as determined in accordance with its terms;

(o) *fifteenth*, 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; and

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

Cash Advance Facility

Under the Cash Advance Facility Agreement the Issuer will be entitled on any Payment Date (other than (x) a Payment Date if and to the extent that on such date the Notes are redeemed in full, and (y) the Final Maturity Date) to make drawings under the Cash Advance Facility up to the Cash Advance Facility Maximum Amount. The Cash Advance Facility Agreement is for a term of 364 days. The commitment of the Cash Advance Facility Provider is extendable at its option. Any drawing under the Cash Advance Facility by the Issuer shall only be made on a 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 Interest Available Amount to meet items (a) to (n) (inclusive) (but not items (g), (i), (k) or (m)) in the Interest Priority of Payments in full on that Payment Date, provided that no drawing may be made to meet items (h), (j), (l) or (n) to the extent that, after the application of the Interest Available Amount, in respect of item (h) a debit balance would remain on the Class B Principal Deficiency Ledger and, in respect of item (j), a debit balance would remain on the Class C Principal Deficiency Ledger and, in respect of item (l), a debit balance would remain on the Class D Principal Deficiency Ledger and, in respect of item (n), a debit balance would remain on the Class E Principal Deficiency Ledger. 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 short-term unsecured, unsubordinated and unguaranteed debt obligations of the Cash Advance Facility Provider are assigned a rating of less than Prime-1 by Moody's or F1 by Fitch or any such rating is withdrawn by Moody's or Fitch, (b) the Cash Advance Facility Provider is not within thirty (30) calendar days replaced by the Issuer with a suitably rated alternative Cash Advance facility provider or a third party having the required ratings has not guaranteed the obligations of the Cash Advance Facility Provider or another solution acceptable to the Rating Agencies is not found and (ii) no other actions agreed with the Rating Agencies at the time have been implemented, the Issuer will be required forthwith to draw down the entirety of the undrawn portion of the Cash Advance Facility (a "**Cash Advance Facility Stand-by Drawing**") and credit such amount to the Floating Rate GIC Account with a corresponding credit to a ledger to be known as the "**Cash Advance Facility Stand-by Ledger**". Amounts so credited to the Floating Rate GIC 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. A Cash Advance Facility Stand-by Drawing shall also be made if the Cash Advance Facility is not renewed following its commitment termination date.

For these purposes, "**Cash Advance Facility Maximum Amount**" means the higher of (i) 2.6 per cent. of the Principal Amount Outstanding of the Notes at the commencement of the relevant Calculation Period and (ii) 0.5 per cent. of the aggregate Principal Amount Outstanding of the Notes at the Closing Date.

Further Redemption Ledger
The Issuer will apply the Further Redemption Available Amount, to partially redeem the Notes on a *pro rata* basis on each Payment Date falling after the Step-Up Date in the following order, (a) firstly, the Senior Class A Notes until fully redeemed, and, thereafter, (b) the Mezzanine Class B Notes until fully redeemed, and, thereafter, (c) the Mezzanine Class C Notes until fully redeemed, and, thereafter, (d) the Junior Class D Notes until fully redeemed, and, thereafter, (e) the Subordinated Class E Notes until fully redeemed. Any amounts so applied will be recorded on a ledger known as the "**Further Redemption Ledger**", comprising of five sub-ledgers for each of the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes and the Subordinated Class E Notes and on each of which sub-ledgers any Further Redemption Available Amount applied in redemption of the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes and/or the Subordinated Class E Notes will be recorded. After the Step-Up Date, any Realised Losses on the Mortgage Receivables will first be debited to the Further Redemption Ledger until the credit balance on such ledger will be zero and further losses on the Mortgage Receivables will be recorded on the Principal Deficiency Ledger.

Principal Deficiency Ledger
A Principal Deficiency Ledger comprising five sub-ledgers, known as the "**Class A Principal Deficiency Ledger**", the "**Class B Principal Deficiency Ledger**", the "**Class C Principal Deficiency Ledger**", the "**Class D Principal Deficiency Ledger**" and the "**Class E Principal Deficiency Ledger**" (together the "**Principal Deficiency Ledger**" respectively, will be established by or on behalf of the Issuer in order to record any Realised Losses on the Mortgage Receivables (each respectively the "**Class A Principal Deficiency**", the "**Class B Principal Deficiency**", the "**Class C Principal Deficiency**", the "**Class D Principal Deficiency**" and the "**Class E Principal Deficiency** ", and together a "**Principal Deficiency**"). Any Realised Losses shall be debited to the Class E Principal Deficiency Ledger (such debit items being recredited at item (o) of the Interest Priority of Payments) so long as the debit balance on such sub-ledger is less than the Principal Amount Outstanding of the Subordinated Class E Notes and thereafter such amounts shall be debited to the Class D Principal Deficiency Ledger (such debit items being recredited at item (n) of the Interest Priority of Payments) so long as the debit balance on such sub-ledger is less than the Principal Amount Outstanding of the Junior Class D Notes and thereafter such amounts shall be debited to the Class C Principal Deficiency Ledger (such debit items being recredited at item (k) of the Interest Priority of Payments) so long as the debit balance on such sub-ledger is less than the Principal Amount Outstanding of the Mezzanine Class C Notes and thereafter such amounts shall be debited to the Class B Principal Deficiency Ledger (such debit items being recredited at item (i) of the Interest Priority of Payments) so long as the debit balance on such sub-ledger is less than the Principal Amount Outstanding of the Mezzanine Class B and thereafter such amounts shall be debited, *pro rata* according to the Principal Amount Outstanding of the Senior Class A Notes on the Closing Date, to the Class A Principal Deficiency Ledger (such debit items being recredited at item (g) of the Interest Priority of Payments).

Any Realised Losses on the Mortgage Receivables will after the Step-Up Date only be debited to the Principal Deficiency Ledger if and to the extent that such Realised Losses exceed the aggregate Further Redemption Available Amount, if any, applied to the Senior Class A Notes and/or the Mezzanine Class B Notes and/or the Mezzanine Class C Notes and/or the Junior Class D Notes and/or the Subordinated Class E Notes, as recorded on the Further Redemption Ledger.

"**Realised Losses**" means, on any relevant Calculation Date, the sum of (a) with respect to the Mortgage Receivables in respect of which the relevant Seller, the relevant Pool Servicer on behalf of the Issuer, the Issuer or the Security Trustee has foreclosed from the Initial Closing Date up to and including the immediately preceding Calculation Period of the difference between (i) the aggregate Outstanding Principal Amount of such Mortgage Receivables less, with respect to the Savings Mortgage Receivables which are subject to a Participation, the Participations, and (ii) the amount of the Net Proceeds applied to reduce the Outstanding Principal Amount of such Mortgage Receivables less, with respect to Savings Mortgage Receivables which are subject to a Participation, the Participations; and (b), with respect to the Mortgage Receivables sold by the Issuer, the amount of the difference, if any, between (i) the aggregate Outstanding Principal Amount of such Mortgage Receivables, less, with respect to Savings Mortgage Receivables which are subject to a Participation, the Participations, and (ii) the purchase price of the Mortgage Receivables sold to the extent relating to principal, less, with respect to the Savings Mortgage Receivables which are subject to a Participation, the Participations; and (c) with respect to the Mortgage Receivables in respect of which the Borrower has from the Initial Closing Date up to and including the immediately preceding Calculation Period (i) successfully asserted set-off or defence to payments or, (ii) repaid or prepaid any amounts, in both cases, the amount by which the Mortgage Receivables have been extinguished ("*teniet gegaan*") unless, and to the extent, such amount is received from the relevant Seller or otherwise pursuant to any of the items (i), (iii) or (iv) of the Redemption Available Amount.

Interest Rate Hedging
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, (ii) a floating rate of interest or (iii) slight variations to any of the above (as further described in the section *Description of the Mortgage Loans* starting on page 64 below). The Mortgage Loan Criteria permit Mortgage Receivables bearing alternative types of interest offered by the relevant Seller. Up to the Step-Up Date the interest rate payable by the Issuer with respect to the Notes is calculated as a margin over Euribor. Following the Step-Up Date the interest rate payable by the Issuer on the Notes will be a margin over Euribor. The Issuer hedged this interest rate exposure by entering into a swap agreement (including a Confirmation evidencing the swap transaction) with SNS Bank as swap counterparty. On the Closing Date, the Confirmation will be transferred by way of novation to the Swap Counterparty and the Issuer will enter into the Swap Agreement with the Swap Counterparty.

Under the Swap Agreement, the Issuer has agreed to pay on each Payment Date amounts equal to (i) the scheduled interest on the Mortgage Receivables (whether or not actually received by the Issuer but excluding, for the avoidance of doubt, any amounts of scheduled interest which were due to be received by the Issuer on a preceding Payment Date but were not so received due to non-payment or delayed payment by the relevant Borrower but which have subsequently been received by the Issuer) less, with respect to each Savings Mortgage Receivable which is subject to a Participation, an amount equal to the scheduled interest (subject to the preceding proviso in this paragraph), multiplied by the Participation Fraction, plus (ii) the interest accrued on the Floating Rate GIC Account in respect of the preceding Calculation Period and (iii) any prepayment penalties received in the preceding Calculation Period, less (x) an excess margin of 0.35 per cent. per annum applied to the Outstanding Principal Amount of the Mortgage Receivables as of the first day of the immediately preceding Calculation Period, and (y) an amount equal to the expenses as described under (a), (b) and (c) of the Interest Priority of Payments on the first day of the relevant Interest Period.

The Swap Counterparty has agreed to pay on each Payment Date amounts equal to the aggregate scheduled interest due under the Notes on such Payment Date and calculated by reference to the floating rate of interest for each Class of Notes applied to an amount equal to the Principal Amount Outstanding of the relevant Class of Notes on the first day of the relevant Interest Period, less for each of the Senior Class A Notes, Mezzanine Class B Notes, Mezzanine Class C Notes, Junior Class D Notes and the Subordinated Class E Notes 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.

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 in accordance with Events of Default and Termination Events (each as defined therein) commonly found in standard ISDA documentation. The Swap Agreement will be terminable by one party if (i) an applicable Event of Default or Termination Event (as defined therein) occurs in relation to the other party, (ii) it becomes unlawful for either party to perform its obligations under the Swap Agreement or (iii) an Enforcement Notice is served. Events of Default under the Swap Agreement in relation to the Issuer will be limited to (i) non-payment under the Swap Agreement and (ii) certain insolvency events.

Upon the early termination of the Swap Agreement, the Issuer or the Swap Counterparty may be liable to make a termination payment to the other party. The amount of any termination payment will be based on the market value of the Swap Agreement. The market value will be based on market quotations of the cost of entering into a transaction with the same terms and conditions and that would have the effect of preserving the respective full payment obligations of the parties (or based upon loss in the event that no market quotation can be obtained).

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

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

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

If (i) the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Swap Counterparty cease to be rated at least as high as A2 by Moody's or A by Fitch or (ii) the short-term unsecured, unsubordinated an unguaranteed debt obligation of the Swap Counterparty cease to be rated at least as high as Prime-1 by Moody's or F-1 by Fitch (the "**Swap Required Ratings**"), the Swap Counterparty will be required to take certain remedial measures which may include the provision of collateral for its obligations under the Swap Agreement, arranging for its obligations under the Swap Agreement to be transferred to an entity with the Swap Required Ratings, procuring another entity with at least the Swap Required Ratings to become co-obligor in respect of its obligations under the Swap Agreement, or the taking of such other action as it may agree with the Rating Agencies. A failure to take such steps, subject to certain conditions, will give the Issuer the right to terminate the Swap Agreement.

The Issuer and the Swap Counterparty have entered into a credit support annex which forms part of the Swap Agreement on the basis of the standard ISDA documentation, which provides for requirements relating to the providing of collateral by the Swap Counterparty if it ceases to have at least the Swap Required Ratings.

Any collateral transferred by the Swap Counterparty in accordance with the provisions set out above which is in excess of its obligations to the Issuer under the Swap Agreement will promptly be returned to such Swap Counterparty prior to the distribution of any amounts due by the Issuer under the Relevant Documents.

Sale of Mortgage Receivables

Under the terms of the Trust Deed, the Issuer will have the right to sell and assign all but not some of the Mortgage Receivables on each Optional Redemption Date, provided that the Issuer shall apply the proceeds of such sale to redeem the Notes (see Condition 6(e)) (see also *Risk that the Issuer will not exercise its right to redeem the Notes at the Optional Redemption Dates* in *Risk Factors* above). 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 in accordance with Condition 6(h). If the Issuer decides to offer for sale the Mortgage Receivables on an Optional Redemption Date or for tax reasons as described above, the Issuer will first offer such Relevant Mortgage Receivables to the relevant Sellers. Furthermore, under the terms of the Mortgage Receivables Purchase Agreement, the Issuer shall be obliged to sell and assign the Mortgage Receivables to the relevant Seller, or any third party appointed by the relevant Seller at its sole discretion, if the Sellers, acting jointly, exercise the Clean-Up Call Option.

The purchase price of each Mortgage Receivable in the event of such sale shall be equal to the Outstanding Principal Amount, together with accrued interest due but unpaid and reasonable costs up to the Mortgage Calculation Period End Date preceding the date of such sale, if any, in respect of each Mortgage Receivable, except that with respect to Mortgage Receivables which are in arrears for a period exceeding 90 days or in respect of which an instruction has been given to the civil-law notary to start foreclosure proceedings, the purchase price shall be at least the lesser of (i) an amount equal to the indexed foreclosure value of the Mortgaged Assets 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.

OVERVIEW OF THE DUTCH RESIDENTIAL MORTGAGE MARKET

Market

One of the most important factors influencing the Dutch residential mortgage market is the fiscal policy. In the Netherlands, interest on mortgage loans is tax deductible if the mortgage loan proceeds are used for the purchase or improvement of the first home. The mortgage interest is deductible for a period of 30 years. As a result of this tax treatment many borrowers choose to fully benefit from the tax deductibility and take out the maximum possible mortgage loan. This results in a relative high outstanding mortgage debt per capita.

Lenders

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

Mortgage products

In the Netherlands, the typical (legal) term of a mortgage loan is 30 years. It is very common that the mortgage loan consists of several mortgage parts, each of which has its own characteristics. Because of the fiscal treatment, mortgage loans with no redemption on the principal such as investment-based mortgages, savings mortgages and interest-only mortgages are most popular. Under these mortgages no principal is repaid during the term of the contract. Instead, the Borrower makes payments in a saving account, endowment insurance or investment fund. Upon maturity the loan is repaid with the money in the savings account, the insurance contract or the investment fund respectively.

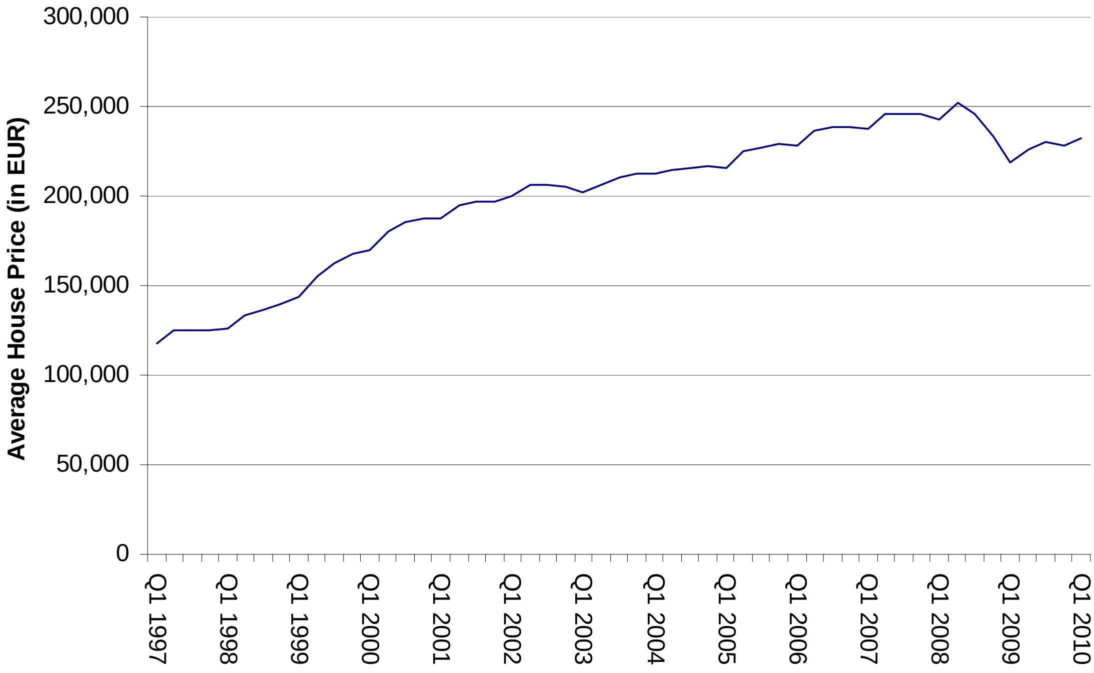
Interest type

Although the 5 and 10-year fixed interest rate have been most popular, there is an increasing appetite for other types, like short term fixed rates and variable rates. Some lenders also offer capped and collar type of interest rates.

House price developments

Fiscal benefits, economic growth and demographic factors (decreasing number of persons per household) have caused an increasing demand for Dutch houses. Along with the declining interest rates in the past decade, this has resulted in a strong upward trend for Dutch house prices as is illustrated in the graph below. However, the credit crisis has put some downward pressure on house prices in the Netherlands as well. As of the second quarter of 2008 we can observe a downward trend, although the median house price was 232,000 in the first quarter of 2010 compared to the lower median house price of 219,000 in the first quarter of 2009.

House Price Development



Source: *Dutch Association of Real Estate Agencies ("Nederlandse Vereniging van Makelaars")*

Prepayment

Borrowers are allowed to prepay between 10 to 20 per cent. free of penalty per year. In addition full prepayment without penalty can only be made at times of interest rate resetting, on sale of the property or in case of death of the borrower. Otherwise a penalty is calculated as the net present value of the difference between the contract rate and the applicable market rate. Interest rates have decreased over the past decade, which has made it attractive for borrowers to refinance their mortgage loans. The increasing role of intermediaries also had a stimulating effect on prepayments.

Default losses have been relatively low

Despite the relatively high loan-to-foreclosure value ("**LtFV**") ratios, default losses have always been relatively low. During the decrease in house prices (1978-1982) losses peaked up to 30 basis points on an annual basis. In the following years losses have been negligibly low. Currently default losses are showing an upward trend due to a weakening economy during recent years and a slowdown in house price increases.

In the Netherlands the value of the property is measured as the foreclosure value, which is the estimated forced sale value. The foreclosure value is about 85 to 90 per cent. of the market value with a maximum LtFV of 125-130 per cent.

Tax deductibility of mortgage interest payments

The Dutch tax authorities allow borrowers to deduct mortgage interest payments for owner-occupied residences from their taxable income. There is currently a tendency within certain political parties in the Netherlands to limit the favourable tax treatment of mortgage debts, particularly for higher-income households. It is not clear if this will happen and, if so, when, but it cannot be ruled out. Changes in tax deductibility could ultimately have an adverse impact on the ability of Borrowers to repay their Mortgage Receivables. In addition, changes in the deductibility of mortgage interest payments may lead to increased prepayments by Borrowers on their Mortgage Loans or have an adverse effect on the value of the Mortgaged Assets. However it is too early to predict what the implications of the current discussions on tax deductibility will be, particularly as the measures (if any) might be (partly) offset by other mitigating measures regarding the current taxation of housing or the tax system in general.

Bureau for credit registration (BKR)

The Bureau for Credit Registration ("*Bureau Krediet Registratie*", or "**BKR**") was founded in 1965 by financial institutions to take care of central credit registration. At BKR almost all credit obligations of retail clients in the Netherlands are registered. Credits are registered as of origination until a period of five years after maturity. Before providing a mortgage loan, lenders are obligated to check the history of the borrower in order to prevent overborrowing from the client and to limit the risks for the lender.

SNS BANK N.V.

Incorporation

SNS Bank N.V., a public limited liability company ("*naamloze vennootschap*"), was incorporated under Dutch law on 18 December 1990 as a result of the merger of several regional savings banks. The corporate seat of SNS Bank is in Utrecht, the Netherlands. The registered office of SNS Bank is Croeselaan 1, 3521 BJ, Utrecht and SNS Bank is registered in the Commercial Register of the Utrecht Chamber of Commerce ("*handelsregister van de Kamer van Koophandel en Fabrieken in Utrecht*"), under number 16062338. The telephone number of SNS Bank is +31(0)30 291 5100. The Articles of Association of SNS Bank were lastly amended by notarial deed on 13 January 2003 before a duly authorised substitute of Mr. P. Klemann, civil law notary in Amsterdam, the draft of these articles having received the approval of the Minister of Justice, number 394.723.

Ownership

SNS Bank is a 100% subsidiary of SNS REAAL and is part of the group formed by SNS REAAL and its subsidiaries ("**SNS REAAL Group**"). SNS REAAL is the result of a merger in May 1997 between SNS Groep N.V. (primarily a banking group) and Reaal Groep N.V. (primarily an insurance group). As of 27 July 2005 all of the shares issued by SNS REAAL were held by Stichting Beheer SNS REAAL. On 18 May 2006 the shares of SNS REAAL were listed on Euronext Amsterdam by NYSE Euronext as part of the IPO of SNS REAAL. As of the date of this Prospectus Stichting Beheer SNS REAAL owns approximately 50.00001% of SNS REAAL's outstanding share capital.

During the extraordinary general meeting of shareholders of SNS REAAL held on 29 January 2008, the decision was taken to amend the articles of association of SNS REAAL. This amendment of the articles of association was effected by executing a notarial deed of amendment of the articles of association on 28 April 2008. The aforementioned amendment of the articles of association was necessary in order to ensure that the share capital of SNS REAAL consists of two types of shares, namely ordinary shares and shares B.

On 12 November 2008 SNS REAAL has decided to strengthen its solvency with € 500 million in capital securities, to be issued to Stichting Beheer SNS REAAL and € 750 million in capital securities to be issued to the Dutch State in view of the market environment and in recognition of higher capital market solvency requirements for financial institutions. Aforementioned transactions were completed on 11 December 2008. The documentation is available on www.snsreaal.com under the heading "Investor relations". The proceeds of the transaction have been used to increase SNS Bank's core capital by € 260 million and to strengthen the solvency capital of REAAL Verzekeringen by € 975 million. The Dutch State obtained the right to nominate two members for the SNS REAAL Supervisory Board and announced in December 2008 that it would nominate Charlotte Insinger and Ludo Wijngaarden for appointment to SNS REAAL N.V.'s Supervisory Board. After their appointment at SNS REAAL's General Meeting of Shareholders on 15 April 2009 they have also become members of the Supervisory Boards of SNS Bank and REAAL Verzekeringen and members of the Audit Committee of SNS Bank.

By way of a press release dated 24 September 2009 SNS REAAL announced the completion of a € 135 million equity issue by way of an accelerated bookbuild offering. In total, the issue comprised 26,147,259 new ordinary shares at a price of € 5.15 per share. Application was made to list the new shares on Euronext Amsterdam. The issue settled on 29 September 2009, at which date the new shares were admitted to trading on Euronext Amsterdam.

On 30 November 2009, SNS REAAL, by using the proceeds of the equity issue of 24 September 2009 as well, repurchased € 250 million of core tier 1 securities, of which € 185 million were issued to the Dutch State and € 65 million to Stichting Beheer SNS REAAL. The intention to repurchase had been announced on 3 November 2009. Furthermore, in line with the terms of the agreement with the Dutch State, SNS REAAL paid accrued interest on the amount repurchased from the Dutch State from 9 June, 2009, representing an amount of € 7.5 million. No repurchase fee was paid. On 28 January 2010 SNS REAAL announced that the European Commission has, on 28 January 2010, given definitive approval for the capital support by the Dutch State to SNS REAAL.

On 12 November 2009, SNS Bank announced an offer to exchange (the "**Exchange Offer**") up to €100,000,000 of the €350,000,000 Fixed/Floating Rate Hybrid Capital Securities issued by SNS REAAL N.V. on 17 July 2007 (the "SNS REAAL Securities") and any or all of the €200,000,000 Subordinated Fixed changing to Floating Rate Notes issued by SNS Bank on 22 July 2003 (the "SNS Bank Notes", together with SNS REAAL Securities, the "Existing Notes") for new Euro-denominated Tier 1 notes to be issued by SNS Bank (the "New Notes") under the Debt Issuance Programme of SNS Bank and SNS REAAL, as set out in the base prospectus of such Debt Issuance Programme (and any supplements thereto), dated 8 June 2009. On 20 November 2009, SNS Bank N.V. announced that according to information provided by the Exchange Agent as of the Expiration Time on the Expiration Date, EUR 289,353,000 in aggregate principal amount of the SNS REAAL Securities and EUR 189,050,000 in aggregate principal amount of the SNS Bank Notes were validly offered for exchange for New Notes. Subject to the terms and conditions of the Exchange Offer, SNS Bank accepted EUR 100,000,000 in aggregate principal amount of the SNS REAAL Securities and all SNS Bank Notes validly offered. As a result, the SNS REAAL Securities were accepted on a pro rata basis using a pro rata factor of approximately 0.34809. Pursuant to the Exchange Offer, SNS Bank issued EUR 220,866,000 in aggregate principal amount of the New Notes. In addition, on the Settlement Date, SNS Bank issued EUR 99,134,000 in aggregate principal amount of the Additional Notes which will be fungible with the New Notes, taking the aggregate principal amount of New Notes being issued to EUR 320,000,000.

SNS REAAL, as 403-guarantor, has deposited 403-Declarations with the Commercial Register of the Chamber of Commerce in Maastricht and Utrecht, in which it has declared to be jointly and severally liable for the debts resulting from the legal acts of BLG Hypotheekbank and SNS Regio Bank, which act as Sellers.

SNS REAAL Group

SNS REAAL Group, the combination of *inter alia* SNS Bank and REAAL Verzekeringen N.V. ("**REAAL**") forms one of the major financial institutions in the Netherlands, with total assets of € 128.93 billion (31 December 2009). As a bank and insurer, SNS REAAL Group holds a distinct position in its market by quickly and effectively translating client needs into accessible and transparent products. In-depth knowledge of products and efficient processes lead to effective standardisations and combination options within product and client groups. SNS REAAL Group is a decisive and flexible organisation that through its core brands SNS Bank and REAAL and specialised sales labels enjoys strong positions in the Dutch market. Furthermore the combination has involved the following:

- A single group management centre has been established in Utrecht, and board linkages have been created between the banking and insurance operations - the chairmen of each are also the deputy chairmen of the other;
- Centralisation of staff departments within the SNS REAAL Group such as risk management, audit, finance, legal compliance, fiscal affairs and human resources; and
- Creation of centralised competence centres and service centres.

Company Structure and Profile SNS Bank N.V.

SNS Bank N.V. is a Dutch branch-based retail banking organisation, concentrating on savings, mortgages and services to small and medium sized enterprises (SMEs) in the Netherlands. Besides a network of about 150 branches SNS Bank uses intermediaries, a call centre, and the internet to generate business. Its focus is the domestic retail market plus small and medium size companies and institutions with a local or domestic scope. SNS Bank offers a full range of banking and insurance products and services to its clients. In terms of volume, residential mortgages form the major part of SNS Bank's assets. Due to innovative mortgage products SNS Bank has shown a good performance in terms of relative growth of the mortgage business during recent years. SNS Bank also shows an increasing sales of insurance products through its branch network. Professional wholesale activities have been developed within SNS Securities N.V. After the merger of SNS Groep N.V. with REAAL Groep N.V. all asset management activities have been concentrated in SNS Asset Management N.V., an affiliate and former business unit of SNS Bank, managing a total of €28.8 billion at the end of 2009, 25% more than at the end of 2008. BLG Hypotheekbank N.V., Algemene Spaarbank voor Nederland ASN N.V. and CVB Bank N.V. are legal entities 100% owned by SNS Bank. These companies operate in niche markets or for specific distribution channels and use the centralized service centres of SNS Bank.

As of 1 December 2006 SNS Property Finance B.V. ("**SNS PF**"), renamed from Bouwfonds Property Finance B.V., is a 100% subsidiary of SNS Bank. SNS PF operates in the mortgage backed commercial (business-to-business) market, which includes real estate project finance, lease finance and real estate investment finance. Commercial property finance activities of SNS Bank will be integrated into SNS PF. With SNS PF, SNS Bank has gained a leading position in the property finance market in the Netherlands, in which it has been active for several years. SNS PF generates approximately 76% of its income in the Netherlands with the remaining 24% being generated by international activities consisting primarily of property finance for Dutch clients abroad.

Company Structure and Profile BLG Hypotheekbank N.V.
BLG Hypotheekbank N.V. is a public limited liability company ("*naamloze vennootschap*") with its corporate seat and registered office in Geleen, the Netherlands. BLG Hypotheekbank N.V. is a wholly owned subsidiary of SNS Bank, acquired by SNS Bank in 1993. BLG Hypotheekbank N.V., with origins dating back to 1954, is the result of a merger of BLG Hypotheekbank Holding N.V., BLG Hypotheekbank N.V., Bouwfonds Limburg N.V. and Bouwfonds Limburg II N.V. on 10 October 2003.

BLG Hypotheekbank is active in mortgages only, offered exclusively through intermediaries. Its unique marketing strategy of originating mortgages through intermediaries caters to a niche market in the south of the Netherlands. The mortgages BLG Hypotheekbank offers are similar to those offered by SNS Bank. BLG Hypotheekbank offers a full range of mortgage products, varying from the typical Dutch mortgage type such as interest-only mortgages, life mortgages and savings mortgages to the more traditional mortgage types such as linear and annuity mortgages.

Company Structure and Profile SNS Regio Bank N.V.
SNS Regio Bank N.V. is a public limited liability company ("*naamloze vennootschap*") with its corporate seat and registered office in Utrecht, The Netherlands. SNS Regio Bank N.V. is a wholly owned subsidiary of SNS Bank. SNS Regio Bank is the result of a merger between CVB Bank N.V. and Regio Bank. CVB Bank, with origins dating back to 1920, has been acquired by SNS Bank in 1992. On 14 May 2007 SNS Bank and ING Bank signed a purchase agreement for the acquisition of Regio Bank by SNS Bank, which has been completed on 1 July 2007. Regio Bank and CVB Bank N.V. have been merged as of this date and will operate under the new name of SNS Regio Bank.

SNS Regio Bank has 125 employees and currently operates a leading franchise formula for intermediaries in the Netherlands with more than 800 intermediaries. It offers intermediaries a full range of banking products and facilities, including marketing and back office support. SNS Regio Bank also provides its intermediaries with savings and payment products of SNS Bank on the basis of exclusiveness.

Mortgage loans
At the end of December 2009, SNS Bank's consolidated share of the mortgage market (new business) was 9.1 %.

Supervision
SNS Bank and SNS Regio Bank are banks with full Netherlands banking licenses and are as such supervised by the Dutch Central Bank ("*De Nederlandsche Bank N.V.*") and by the Netherlands Authority for the Financial Markets ("*Stichting Autoriteit Financiële Markten*").

Key figures SNS Bank N.V.

(amounts in millions of EUR)	**31 December 2009** (audited)	**31 December 2008** (audited)	**31 December 2007** (audited)
Total assets	80,289	76,695	70,584
Loans and advances to customers	67,479	65,794	60,236
Amounts due to customers	34,270	32,043	27,025
of which savings	24,435	21,859	19,179

Shareholders' equity	2,165	2,134	2,209
Capital base	3,984	4,083	3,887
BIS tier 1 ratio	10.7%	10.5%	8.4%
BIS total capital ratio	13.9%	14%	11.5%
Net interest income	672	773	783
Other income	426	183	155
of which net commission and management fees	99	116	129
Net profit	-99	144	272

SNS Bank is rated A3/P-2 (negative outlook) by Moody's and A-/F2 (negative outlook) by Fitch. Further information with respect to these credit ratings, including the negative outlook by Moody's and Fitch, is available on www.snsreaal.com on the subpage "investor relations" under the heading "credit ratings".

SELLERS AND RESIDENTIAL MORTGAGE BUSINESS

A. Mortgage Origination

SNS Bank originates mortgage loans through two separate channels: directly, through its branch network and indirectly, through independent agents, such as estate agents, financial advisers and insurance intermediaries. BLG Hypotheekbank originates mortgage loans through independent agents only, such as financial advisers and insurance intermediaries. SNS Regio Bank originates mortgages through its franchise network.

Borrower Income Requirements

The maximum amount that can be borrowed depends on, *inter alia,* the Borrower's income. The relevant Seller calculates the maximum proportion of a Borrower's income that may be applied to service principal and interest on the mortgage loan and the entire Borrower's other financial commitments.

Other Conditions

The following general conditions also apply to mortgage loans offered:

- The borrowers must be at least 18 years old;
- Self employed and contractors are subject to additional income tests;
- Credit assessment of the borrower is required, and
- Insurance in respect of the property against risk of fire and other accidental damage for its full restitution value is required.

B. Residential Mortgage Products

The Sellers offer a full range of mortgage products with various interest rate and repayment mechanisms. Only certain specified mortgage products are intended to be assigned to the Issuer. The characteristics of these products are described further below.

Legal Form

Details of all land and properties are recorded in public registers in the Netherlands. All Mortgage Loans are secured by a mortgage evidenced by a notarial mortgage deed recorded in these registers.
Although other legal forms of mortgage loans are available in the Netherlands, all mortgage loans originated are "Bank Mortgages". A Bank Mortgage is a mortgage that secures not only the loan granted to finance a property, long lease or apartment right, but also any other liabilities owed at any time by the relevant Borrower to the relevant Seller. Accordingly, the Mortgaged Asset provides security for all debts up to a maximum amount as registered in the relevant public registry. For a further description of Bank Mortgages see *Risk Factors* above.

Mortgaged Assets

The mortgage rights securing the Mortgage Loans are vested on (i) a real property ("*onroerende zaak*"), (ii) an apartment right ("*appartementsrecht*") or (iii) a long lease ("*erfpacht*"). For over a century different municipalities and other public bodies in the Netherlands have used the long lease ("*erfpacht*") as a system to provide land without giving up the ownership of it. There are three types of long lease: temporary ("*tijdelijk*"), ongoing ("*voortdurend*") and perpetual ("*eeuwigdurend*"). A long lease is a right in rem ("*zakelijk recht*") which entitles the leaseholder ("*erfpachter*") to hold and use a real property ("*onroerende zaak*") owned by another party, usually a municipality. The long lease can be transferred by the leaseholder without permission from the landowner being required, unless the lease conditions provide otherwise and it passes to the heirs of the leaseholder in case of his death. Usually a remuneration ("*canon*") will be due by the leaseholder to the landowner for the long lease.

Repayment Mechanism

Apart from Interest-Only mortgage loans ("*aflossingsvrije hypotheek*") whereby principal is repaid at final maturity of the mortgage loan (which to the extent compulsory under the relevant acceptance conditions, have the benefit of combined risk and capital insurance policies taken out by Borrowers with an insurance company), the following repayment mechanisms are offered by all or some Sellers:

<u>Savings Mortgage Loans</u> ("*spaarhypotheek*")

A Savings Mortgage Loan and the Savings Mortgage Receivable relating thereto consists of a

Mortgage Loan entered into by the relevant Seller and the relevant Borrower, which has the benefit of a Savings Insurance Policy taken out by the Borrower with an insurance company.

Most of the Saving Mortgage Loans originated by SNS Bank are documented as Savings Plus Mortgage Loans ("**Savings Plus Mortgage Loans**")("*Spaarhypotheken Plus*"), whereby the Savings Premium under the Savings Insurance Policy is either (i) deposited by the Savings Insurance Company in a savings account held with SNS Bank (the "**Savings Alternative**") or (ii), at the option of the Borrower, invested in certain investment funds offered by SNS Beleggingsfondsen N.V. (the "**Investment Alternative**"). Furthermore, the terms and conditions of the Savings Insurance Policy in connection with the Savings Plus Mortgage Loans provide that on each interest rate reset date the Borrower can (i) switch whole or part of the premia accumulated in the relevant Savings Insurance Policy with the Savings Alternative into the Investment Alternative (the "**Savings Switch**") and (ii) switch whole or part of the value of the investments of the Investment Alternative into the Savings Alternative.

<u>Investment-based Mortgage Loans</u> ("*beleggingshypotheek*")
In case of SNS Bank, the Borrower undertakes to invest, whether on a lump sum basis or on an instalment basis, by applying his own funds or (part of) the proceeds of the Investment-based Mortgage Loan by means of an '*SNS Rendementrekening*', an investment account held with SNS Bank (the "**Investment Account**") in certain investment funds of SNS Beleggingsfondsen N.V. (the "**Investment Funds**"). The investments in Investment Funds are effectuated by the Borrowers paying the relevant amount from the Investment Account to an account held with SNS Bank, designated by SNS Bank for the purchasing of securities of Investment Funds by Stichting SNS Beleggersgiro ("**SNS Beleggersgiro**"). The securities purchased by SNS Beleggersgiro, will be in the form of "*Wge-effecten*" (securities regulated under the Wge) and will be administrated on the Investment Account. With BLG Hypotheekbank the Borrower undertakes to invest, whether on a lump sum basis or on an instalment basis, by applying an agreed amount in certain investment funds or certain other securities selected by the Borrower out of a range of investment funds and/or securities offered by the bank or investment firm ("*beleggingsonderneming*") (hereinafter the "**Investment Firm")**. The Investment Firm is notified of the fact that the Borrower is only allowed to purchase investment funds and/or securities selected by BLG Hypotheekbank. The securities purchased will be administrated on an investment account held with a bank or a beleggersgiro in the Netherlands.

<u>Life Mortgage Loans</u> ("*Levenshypotheek*")
An Interest-Only Mortgage Loan to which a Life Insurance Policy with a Life Insurance Company is connected. Principal repayments will be paid out from the proceeds of the Life Insurance Policy.

<u>Linear Mortgage Loans</u> ("*lineaire hypotheek*")
Scheduled (usually monthly) repayments of principal are fixed over the term of the mortgage.

<u>Annuity Mortgage Loans</u> ("*annuïteitenhypotheek*")
Scheduled (usually monthly) repayments of principal plus interest are fixed (provided that the interest rates do not change).

<u>Combined Mortgage Loans</u> ("*combinatiehypotheken*")
In order to tailor a Mortgage Loan to meet as closely as possible the specific fiscal and economic needs of a Borrower, it is common for a Mortgage Loan to be constructed from a combination of mortgage types.

Interest Rate
The mortgage loans bear interest on the basis of any of the following alternatives:
- fixed rate, whereby the interest rates can be fixed for a specific period between 1 to 30 years;
- floating rate; or
- any other type of interest alternatives offered, including:
  - Stable Interest ("*Stabiele Rente*"). In such case, the interest payable by the Borrower is determined on an annual basis, whereby the Borrower chooses a bandwidth between 1.0 per cent. and 3.5 per cent., (increased by steps of 0.5 per cent.) at the beginning of the Mortgage Loan. At any time, the Borrower is entitled to choose another bandwidth, subject to payment of certain administrative costs. Each bandwidth has its own SNS

Stable Interest rate. Every year the interest rate in the contract ("*contractrente*") will be compared with the actual SNS Stable Interest rate ("*toetsrente*") for the applicable bandwidth. When the difference falls within the bandwidth, the interest rate for that year will be fixed at the interest rate equal to the interest rate in the contract of the Borrower ("*contractrente*"). When the difference falls outside the bandwidth, the interest rate for that year will be fixed at the interest rate equal to the interest rate in the contract of the Borrower ("*contractrente*") adjusted for the percentage which did fall outside the bandwidth.

- Ideal Interest ("*Ideaal Rente*"). The interest rate is the average interest rate over five years. The interest payable by the Borrower is determined using a fraction in which the numerator is the sum of five interest percentages determined by SNS as the Ideal Interest and in which the denominator is five. In the first year, the numerator equals the Ideal Interest percentage for that year multiplied by five. In the second year the numerator equals the Ideal Interest percentage for year one multiplied by four plus the Ideal Interest percentage for year two. In the years thereafter, the most recent Ideal Interest percentage is included and the oldest Ideal Interest percentage is excluded from the numerator.
- Middle Interest ("*Middelrente*"). The interest rate is the average interest rate over ten years. The interest payable by the Borrower is determined using a fraction in which the numerator is the sum of ten interest percentages determined by BLG as the Ideal Interest and in which the denominator is ten. In the first year, the numerator equals the Middle Interest percentage for that year multiplied by ten. In the second year the numerator equals the Middle Interest percentage for year one multiplied by nine plus the Middle Interest percentage for year two. In the years thereafter, the most recent Middle Interest percentage is included and the oldest Ideal Interest percentage is excluded from the numerator.
- Ceiling Interest ("*Plafond Rente*"). The interest payable by the Borrower is a floating interest rate with a cap. The Borrower can choose a Ceiling Interest for five or ten years. In this period the borrower pays the floating Ceiling Interest rate with an agreed maximum ("*plafond*") interest rate.
- Interest Dampner ("*Rente Demper*"). The interest payable by the Borrower equals the interest as described under Stable Interest with the difference that the bandwidth is not fixed for 30 years but, at the option of the Borrower, for 5, 10 or 15 years.

Prepayments
Annual prepayments of not more than 20 per cent. of the original mortgage loan are allowed without a penalty being due. In addition, full prepayments can be made without penalty in specific situations:

- at the time of rate resetting;
- on sale or destruction of the property;
- if the Borrower dies.

In other cases, except for Ceiling Interest mortgage loans, penalty charges apply which are calculated as the net present value of the difference between the fixed rate being paid and the current mortgage rate, if lower, for the remaining term of the fixed period. For mortgage loans with a Ceiling Interest, the penalty is calculated by multiplying an agreed percentage with the remaining term of the Ceiling Interest and the loan balance.

C. Mortgage Administration

Collection Procedures
If a client has given direct debit instructions, interest payments and repayments due will be debited directly from this account. Otherwise the client will receive a payment slip.

The loan administration system calculates the repayment schedules and reconciles collected funds with the appropriate account. A range of exception reports are automatically produced and are used by arrears management to monitor the status of individual loans.

Arrears Management
The procedures for the monitoring and collection of late payments include the following actions:

At the beginning of each month late payments are being signalled. After ten days a reminder letter is automatically generated and sent to the Borrower. Further reminder letters are being generated if the arrear persists. Besides reminder letters the client may be contacted by phone either directly by the bank or with the use of the intermediary. In case of increasing arrears and limited possibilities to become current an attempt is made to come to an agreement for a private sale of the property. If all negotiations with the borrower fail the civil-law notary will be instructed, who will then organise a forced sale by way of public auction.

Rate re-setting procedures
Prior to the reset date, the loan administration system automatically generates a letter to the Borrower advising that a rate re-setting is imminent and, in addition, listing the rate(s) that would apply. The Borrower does not have to choose the same fixed rate period as the previous one. If there is no response from the Borrower before the rate re-setting date, the rate is automatically reset for a one-year term.

DESCRIPTION OF MORTGAGE LOANS

The numerical information set out below relates to the Mortgage Loans as at the Closing Date. After the Closing Date, the portfolio will change from time to time as a result of repayment, prepayment, amendment and, if applicable, repurchase of Mortgage Receivables.
The Mortgage Loans to which the information is set out below relates have been selected in accordance with the criteria set forth in the Mortgage Receivables Purchase Agreement.

Key Characteristics of the pool of Mortgage Loans

Outstanding principal balance (€): 1,625,220,247
Outstanding savings balance (€): 7,070,247
Outstanding net balance: 1,618,150,000
Number of mortgages: 8,802
Number of mortgage parts: 14,355
Average outstanding principal balance (€): 183,839
Minimum outstanding principal balance: 5,000
Maximum outstanding principal balance (€): 748,000
Maximum current interest rate (%): 7.3
Minimum current interest rate (%): 1.2
Weighted average current interest rate (%): 4.7
Weighted average current Loan to Original Foreclosure Value ratio (%): 88.31
Weighted average loan to market value (%): 77.27
Weighted average loan to indexed foreclosure value (%): 86.30
Weighted average loan to indexed market value (%): 75.51
Weighted average seasoning (months): 44.10
Weighted average current remaining Term to Maturity (yrs): 25.95

1. Size of outstanding loan balance (euro)

Size of outstanding loan balance (euro)	Net balance (euro)	% of total	Number of mortgages	% of total
0.01 - 50,000.00	11,882,768.90	0.73	352	4
50,000- 100,000.00	84,419,706.72	5.22	1,105	12.55
100,000 - 150,000.00	265,588,732.74	16.41	2,141	24.32
150,000- 200,000.00	346,271,876.96	21.4	2,013	22.87
200,000 - 250,000.00	305,238,272.71	18.86	1,381	15.69
250,000 - 300,000.00	220,377,273.16	13.62	816	9.27
300,000 - 350,000.00	140,561,549.56	8.69	441	5.01
350,000 - 400,000.00	84,423,840.35	5.22	229	2.6
400,000 - 450,000.00	52,034,731.19	3.22	124	1.41
450,000 - 500,000.00	36,088,256.70	2.23	77	0.87
500,000 - 550,000.00	23,401,699.62	1.45	45	0.51
550,000 - 600,000.00	19,204,513.09	1.19	34	0.39
600,000 - 650,000.00	14,865,507.00	0.92	24	0.27
650,000 - 700,000.00	8,055,683.42	0.5	12	0.14
700,000 - 750,000.00	5,735,587.88	0.35	8	0.09
Total:	1,618,150,000.00	100	8,802	100

2. Repayment Type

Repayment Type	**Net balance (euro)**	**% of total**	**Number of parts**	**% of total**
Annuity	16,414,254.94	1.01	348	2.42
Interest only	1,410,069,945.73	87.14	12,080	84.15
Investment-based	132,227,354.00	8.17	1,163	8.1
Linear	954,291.69	0.06	21	0.15
Savings	58,484,153.64	3.61	743	5.18
Total:	1,618,150,000.00	100	14,355	100

3. Interest Type

Interest Type	Net balance (euro)	% of total	Number of parts	% of total
8 year fixed	232,000.00	0.01	1	0.01
1 yr fixed	17,193,426.84	1.06	220	1.53
10 yr fixed	816,906,713.69	50.48	6,984	48.65
10 yr fixed + 2 yr refixing period	2,648,368.43	0.16	32	0.22
10 yr "plafondrente"	13,696,597.19	0.85	141	0.98
12 yr fixed	23,671,111.85	1.46	185	1.29
14 yr fixed + 1 yr refixing period	124,000.00	0.01	4	0.03
15 yr fixed	95,831,397.64	5.92	841	5.86
2 yr fixed	261,000.00	0.02	3	0.02
20 yr fixed	99,515,249.71	6.15	778	5.42
3 yr fixed	6,462,665.33	0.4	57	0.4
30 yr fixed	42,500.00	0	2	0.01
4 yr fixed	197,000.00	0.01	2	0.01
4 yr fixed + 1 yr refixing period	6,971,240.71	0.43	78	0.54
5 yr fixed	157,280,771.05	9.72	1,395	9.72
5 yr fixed + 2 yr refixing period	7,531,414.99	0.47	86	0.6
5 yr "plafondrente"	22,387,703.84	1.38	230	1.6
6 yr fixed	212,377,710.84	13.12	1,988	13.85
7 yr fixed	1,559,145.00	0.1	13	0.09
9 yr fixed + 1 yr refixing period	5,537,214.15	0.34	58	0.4
Average interest rate	1,453,891.31	0.09	17	0.12
Ideaal	2,794,085.88	0.17	30	0.21
Variable	93,309,729.80	5.77	888	6.19
"rentedemper" 10 year, 2% band	9,777,785.76	0.6	104	0.72
"rentedemper" 10 year, 3% band	2,851,957.75	0.18	25	0.17
"rentedemper" 15 year, 3% band	637,922.49	0.04	7	0.05
"rentedemper" 5 year, 1% band	4,480,909.08	0.28	52	0.36
"rentedemper" 5 year, 2% band	1,924,992.00	0.12	19	0.13
"rentedemper" 5 year, 3% band	581,600.00	0.04	5	0.03
"Stabielrente" 1% band	7,125,300.51	0.44	84	0.59
"Stabielrente" 1,5% band	476,469.23	0.03	2	0.01
"Stabielrente" 2% band	1,453,151.36	0.09	14	0.1
"Stabielrente" 2,5% band	341,615.53	0.02	6	0.04
"Stabielrente" 3% band	421,108.04	0.03	3	0.02
"VariRust" 1% band	92,250.00	0.01	1	0.01
Total:	1,618,150,000.00	100	14,355	100

4. Interest Rate (%)

Interest Rate (%)	**Net balance (euro)**	**% of total**	**Number of parts**	**% of total**
< 3	8,402,807.87	0.52	86	0.6
3 - 3.5	57,585,702.25	3.56	530	3.69
3.5 - 4	129,377,936.40	8	1,259	8.77
4 - 4.5	208,934,320.23	12.91	1,976	13.77
4.5 - 5	609,002,289.67	37.64	5,031	35.05
5 - 5.5	493,934,958.39	30.52	4,297	29.93
5.5 - 6	91,265,223.03	5.64	934	6.51
6 - 6.5	16,141,235.75	1	201	1.4
6.5 - 7	3,346,217.68	0.21	38	0.26
7 - 7.5	159,308.73	0.01	3	0.02
Total:	1,618,150,000.00	100	14,355	100

5. Origination Dates

Origination Dates	Net balance (euro)	% of total	Number of parts	% of total
1999	19,183,912.18	1.19	237	1.65
2000	11,540,416.86	0.71	120	0.84
2001	10,533,719.56	0.65	102	0.71
2002	28,803,059.81	1.78	268	1.87
2003	34,440,468.23	2.13	374	2.61
2004	111,675,031.66	6.9	1,247	8.69
2005	177,410,145.05	10.96	1,862	12.97
2006	254,016,320.48	15.7	2,431	16.93
2007	914,149,625.15	56.49	7,228	50.35
2008	14,387,348.50	0.89	131	0.91
2009	41,213,609.52	2.55	347	2.42
2010	796,343.00	0.05	8	0.06
Total:	1,618,150,000.00	100	14,355	100

6. Property Type

Property Type	**Net balance (euro)**	**% of total**	**Number of mortgage s**	**% of total**
Apartment	156,389,970.68	9.66	1,015	11.53
House	1,461,760,029.32	90.34	7,787	88.47
Total:	1,618,150,000.00	100	8,802	100

7. Region

Region	**Net balance (euro)**	**% of total**	**Number of mortgage s**	**% of total**
Drenthe	58,006,690.45	3.58	344	3.91
Flevoland	47,272,655.57	2.92	245	2.78
Friesland	46,957,814.22	2.9	295	3.35
Gelderland	262,832,330.45	16.24	1,338	15.2
Groningen	45,958,563.96	2.84	333	3.78
Limburg	196,115,345.40	12.12	1,311	14.89
Noord-Brabant	308,465,679.88	19.06	1,584	18
Noord-Holland	206,197,563.89	12.74	1,011	11.49
Overijssel	104,513,530.78	6.46	608	6.91
Utrecht	109,772,388.60	6.78	504	5.73
Zeeland	24,501,385.71	1.51	172	1.95
Zuid-Holland	207,556,051.09	12.83	1,057	12.01
Total:	1,618,150,000.00	100	8,802	100

8. Current LtFV (%)

Current LtFV (%)	Net balance (euro)	% of total	Number of mortgage s	% of total
0 - 9	1,355,378.58	0.08	56	0.64
10-19	7,462,382.73	0.46	173	1.97
20 - 29	16,993,859.85	1.05	262	2.98
30 - 39	33,179,593.06	2.05	340	3.86
40 - 49	61,775,229.25	3.82	502	5.7
50 - 59	97,551,792.88	6.03	679	7.71
60 - 69	196,624,443.26	12.15	1,163	13.21
70 - 79	334,675,602.88	20.68	1,791	20.35
80 - 89	91,943,718.64	5.68	456	5.18
90 - 99	143,882,814.19	8.89	643	7.31
100 - 109	136,323,374.14	8.42	584	6.63
110 - 119	220,039,810.34	13.6	962	10.93
120 - 129	276,342,000.20	17.08	1,191	13.53
Total:	1,618,150,000.00	100	8,802	100

9. Maturity Year

Maturity Year	Net balance (euro)	% of total	Number of parts	% of total
2008	0	0	1	0.01
2009	0	0	3	0.02
2010	1,093,369.00	0.07	13	0.09
2011	264,268.18	0.02	7	0.05
2012	421,930.28	0.03	12	0.08
2013	341,298.50	0.02	9	0.06
2014	798,820.81	0.05	19	0.13
2015	726,473.72	0.04	14	0.1
2016	570,665.49	0.04	15	0.1
2017	979,202.07	0.06	25	0.17
2018	694,476.00	0.04	11	0.08
2019	1,534,633.80	0.09	27	0.19
2020	1,501,927.37	0.09	28	0.2
2021	1,095,973.68	0.07	17	0.12
2022	2,202,380.92	0.14	39	0.27
2023	2,850,893.21	0.18	39	0.27
2024	4,204,649.92	0.26	53	0.37
2025	3,307,505.61	0.2	48	0.33
2026	3,331,707.59	0.21	45	0.31
2027	6,575,148.37	0.41	96	0.67
2028	4,567,396.10	0.28	65	0.45
2029	23,622,814.00	1.46	278	1.94
2030	18,315,087.16	1.13	193	1.34
2031	25,846,373.27	1.6	276	1.92
2032	37,251,051.16	2.3	350	2.44
2033	35,874,462.83	2.22	355	2.47
2034	97,655,555.13	6.04	1,005	7
2035	158,571,112.81	9.8	1,603	11.17
2036	241,533,937.73	14.93	2,216	15.44
2037	889,568,142.19	54.97	7,028	48.96
2038	10,871,803.33	0.67	97	0.68
2039	41,976,939.77	2.59	368	2.56
Total:	1,618,150,000.00	100	14,355	100

10. Bank

Bank	Net balance (euro)	% of total	Number of parts	% of total
SNS	737,724,733.22	45.59	6,058	42.2
BLG	537,532,553.28	33.22	4,536	31.6
SNS Regio Bank	342,892,713.50	21.19	3,761	26.2
Total:	1,618,150,000.00	100	14,355	100

MORTGAGE RECEIVABLES PURCHASE AGREEMENT

Under the Mortgage Receivables Purchase Agreement, the Issuer has purchased the Mortgage Receivables and accepted the assignment of the Mortgage Receivables and the Beneficiary Rights relating thereto from each Seller by means of a registered deed of assignment as a result of which legal title to the Mortgage Receivables and the Beneficiary Rights relating thereto is transferred to the Issuer. The 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, except upon the occurrence of any Assignment Notification Event. Until such notification the Borrowers will only be entitled to validly pay ("*bevrijdend betalen*") to the relevant Seller. The Issuer is entitled to all proceeds in respect of the Mortgage Receivables as of 1 May 2008 (the "**Cut-off Date**"). Each Seller will pay to the Issuer on each Mortgage Payment Date all proceeds received during the immediately preceding Mortgage Calculation Period in respect of the Mortgage Receivables.

Purchase Price

The purchase price for the Mortgage Receivables consists of an initial purchase price (the "**Initial Purchase Price**") and a deferred purchase price (the "**Deferred Purchase Price**"). The Initial Purchase Price is equal to the aggregate Outstanding Principal Amount of the Mortgage Receivables purchased at the Initial Closing Date or on any Payment Date thereafter. The Deferred Purchase Price will be equal to the sum of all instalments in respect of the Deferred Purchase Price and each instalment (each a "**Deferred Purchase Price Instalment**") will, with respect to a Payment Date, be equal to (A) prior to the delivery of an Enforcement Notice, the sum of (i) the positive difference, if any, between the Interest Available Amount and the sum of all amounts payable by the Issuer as set forth in the Interest Priority of Payments under (a) up to and including (r) and (ii) subject to the Notes having been repaid in full, the positive difference, if any, between the Redemption Available Amount and the sum of all amounts payable by the Issuer as set forth in the Principal Priority of Payments under (a) up to and including (g) on such date, or (B), after the delivery of an Enforcement Notice, the amount remaining after all payments as set forth in the Priority of Payments upon Enforcement under (a) up to and including (o) have been made (see *Credit Structure* above). The "**Outstanding Principal Amount**" in respect of a Mortgage Receivable means, (a) on any date the (then remaining) aggregate principal sum ("*hoofdsom*") due by the relevant Borrower under the relevant Mortgage Receivable and (b) after the occurrence of a Realised Loss in respect of such Mortgage Receivable, zero.

Representations and Warranties

Each Seller represents and warrants with respect to the Mortgage Receivables which it sells (the "**Relevant Mortgage Receivables**") and the Mortgage Loans to which such Mortgage Receivables relate (the "**Relevant Mortgage Loans**") and the Beneficiary Rights relating thereto that on the relevant purchase date, *inter alia,*:

(a) each of the Relevant Mortgage Receivables and the Beneficiary Rights relating thereto is duly and validly existing;

(b) the relevant Seller has full right and title ("*titel*") to the Relevant Mortgage Receivables and the Beneficiary Rights relating thereto and no restrictions on the sale and assignment of the Relevant Mortgage Receivables and the Beneficiary Rights relating thereto are in effect and the Relevant Mortgage Receivables and the Beneficiary Rights relating thereto are capable of being assigned and pledged, save that for assignment and pledge of the Savings Mortgage Receivables the consent of the Savings Insurance Company is required;

(c) the relevant Seller has power ("*is beschikkingsbevoegd*") to sell and assign 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 the relevant Seller in favour of any third party with regard to the Relevant Mortgage Receivables and the Beneficiary Rights relating thereto;

(e) each Relevant Mortgage Receivable is secured by a mortgage right on a Mortgaged Asset used for a residential purpose in the Netherlands and is governed by Netherlands law;

(f) (i) all Mortgage Loans entered into by BLG Hypotheekbank and all Mortgage Loans entered into by SNS Bank before the end of 2005 provide that in case of assignment or pledge of the receivable the assignee or pledgee will have the benefit of the mortgage right if this has been stipulated upon the assignment or pledge and that in such event the mortgage right no longer secures the Other Claims of the relevant Seller, and (ii) all Mortgage Loans entered into by SNS Bank after the end of 2005 provide that in case of assignment or pledge of the receivable the Borrower and SNS Bank have the explicit intention that the assignee or pledgee will have the benefit of (a *pro rata* part of) the mortgage rights and rights of pledge securing such receivable, unless SNS Bank determines otherwise prior to the assignment or pledge;

(g) each Mortgaged Asset concerned was valued according to the prevailing guidelines of the relevant Seller, which guidelines are in a form as may reasonably expected from a lender of residential mortgage loans in the Netherlands. No revaluation of the Mortgaged Assets has been made for the purpose of the transaction contemplated by the Relevant Documents;

(h) upon creation ("*vestiging*") of each Mortgage and Borrower Pledge (other than the Borrower Insurance Pledge entered into by SNS Bank before the end of 2005 and the Borrower Securities Pledges) the power to unilaterally terminate the Mortgage and Borrower Pledge was granted to the relevant Seller and such power has not been amended, revoked or terminated;

(i) each Mortgaged Asset concerned was valued (i) by an independent qualified valuer, or (ii) on the basis of an assessment by the Netherlands tax authorities on the basis of the Act on Valuation of Real Property ("*Wet Waardering Onroerende Zaken*"). 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;

(j) each Relevant Mortgage Receivable and the mortgage right and the right of pledge, if any, securing such receivable constitute legal, valid, binding and enforceable obligations of the relevant Borrower vis-à-vis the relevant Seller, subject to any limitations arising from bankruptcy, insolvency and any other laws of general application relating to or affecting the rights of creditors. The binding effect and enforceability of the obligations of a Borrower may be affected by rules of Dutch law which generally apply to contractual arrangements, including (without limitation) the requirements of reasonableness and fairness ("*redelijkheid en billijkheid*") and rules relating to force majeure;

(k) all mortgage rights and rights of pledge granted to secure the Relevant Mortgage Receivables (i) constitute valid mortgage rights ("*hypotheekrechten*") and rights of pledge ("*pandrechten*") respectively on the Mortgaged Assets and the assets which are the subject of the rights of pledge respectively and, to the extent relating to the mortgage rights, entered into the appropriate public register ("*Dienst van het Kadaster en de Openbare Registers*"), (ii) have first priority and (iii) were vested for a principal sum which is at least equal to the Outstanding Principal Amount of the Relevant Mortgage Receivable resulting from the Relevant Mortgage Loan when originated, increased with interest, penalties, costs and any insurance premium paid by the relevant Seller on behalf of the Borrower;

(l) each of the Relevant Mortgage Loans and, if offered by the relevant Seller, the Insurance Policy connected thereto, has been granted, in all material respects, in accordance with all applicable legal requirements prevailing at the time of origination, and the Code of Conduct on Mortgage Loans ("*Gedragscode Hypothecaire Financieringen*") and the relevant Seller's 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 Netherlands residential mortgages;

(m) each of the Mortgage Loans originated by SNS Bank with a tenor of more than thirty years or without a maturity date will have a Life Insurance Policy or a Savings Insurance Policy attached to it in the form of a combined risk and capital policy which, as far as the risk element is concerned, pays out upon death of the insured and, as far as the capital element is concerned, upon maturity of the Life Insurance Policy and each of the Life Insurance Policies has a term not exceeding thirty years from the date the Mortgage Loan was granted;

(n) the Mortgage Conditions applicable to the Mortgage Loans originated by SNS Bank provide that the Outstanding Principal Amount, increased with interest, reimbursements, costs and amounts paid by SNS Bank on behalf of the Borrower and any other amounts due by the Borrowers to SNS Bank will become due and payable, *inter alia*, if the Life Insurance Policy belonging to the Mortgage Loan is invalid and/or payment of premium under the Life Insurance Policy is suspended ("*premievrij*") and/or the Life Insurance Company makes a payment under the Life Insurance Policy;

(o) as at the Initial Closing Date no amounts due and payable under any of the Relevant Mortgage Receivables will be unpaid for a period exceeding one month;

(p) with respect to Relevant Mortgage Loans, whereby it is a condition for the granting of the relevant Mortgage Loan that a Life Insurance Policy is entered into by the Borrower (i) a Borrower Insurance Pledge is granted on the rights under such policy in favour of the relevant Seller, (ii) the Mortgage Loan and the Life Insurance Policy are in the relevant Seller's or the Life Insurance Company's promotional materials not offered as one product, under one name and (iii) the Borrowers are not obliged to enter into the Life Insurance Policy with a Life Insurance Company which is a group company of the relevant Seller;

(q) with respect to Investment-based 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 ("*vermogens-beheerder*"), which is by law obliged to administer the securities in the name of the relevant Borrower through a bank (see the next paragraph) or a separate securities giro ("*effectengiro*"); or

 (ii) a bank, which is by law obliged to (x) administer the securities through a separate depositary vehicle and/or (y) only administer securities the transfer of which is subject to the Wge;

(r) with respect to Savings Mortgage Loans, the relevant Seller has the benefit of a valid right of pledge on the rights under the Savings Insurance Policies and either (i) the relevant Seller has been validly appointed as beneficiary under such policy or (ii) the Savings Insurance Company is irrevocably authorised to apply the insurance proceeds in satisfaction of the relevant Mortgage Receivables;

(s) each receivable under a mortgage loan ("*hypothecaire lening*") which is secured by the same mortgage right is sold and assigned to the Issuer pursuant to the Mortgage Receivables Purchase Agreement;

(t) each Relevant Mortgage Loan constitutes the entire mortgage loan granted to the relevant Borrower and not merely one or more loan parts ("*leningdelen*");

(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) to the best knowledge of the relevant Seller and without prejudice to the representation under (o), the Borrowers are not in any material breach of any provision of their Mortgage Loans;

(w) the Mortgage Conditions of the Mortgage Loans originated by SNS Bank and SNS Regio Bank provide that all payments by the relevant Borrowers should be made without any deduction or set-off;

(x) with respect to Mortgage Loans originated by BLG Hypotheekbank, (i) BLG Hypotheekbank owes no amounts to any Borrower under an account relationship and (ii) no deposits have been accepted by it from any Borrower;

(y) each Relevant Mortgage Loan was originated by the relevant Seller;

(z) each of the Mortgaged Assets had, at the time the Relevant Mortgage Loan was advanced, the benefit of buildings insurance ("*opstalverzekering*") for the full reinstatement value ("*herbouwwaarde*");

(aa) the relevant Seller has not been notified and is not aware of anything affecting the relevant Seller's title to the Relevant Mortgage Receivables;

(bb) the repayment of the Relevant Mortgage Receivables by the Borrowers is executed by way of direct debit procedures or on the basis of an invoice;

(cc) the notarial mortgage deeds ("*minuut*") relating to the mortgage rights 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 by the relevant Seller;

(dd) the full principal amount of each Mortgage Loan was in case of each of the Relevant Mortgage Loans paid to the relevant Borrower, whether or not through the relevant civil law notary and no amounts are held in deposit ("*bouwdepot*");

(ee) each of the Mortgage Receivables to which a Life Insurance Policy is connected has the benefit of Life Insurance Policies with any of the Insurance Companies and either (i) the relevant Seller has been validly appointed as beneficiary ("*begunstigde*") under such Life Insurance Policies upon the terms of the Relevant Mortgage Loans and the Life Insurance Policies or (ii) the relevant Insurance Company has been given a Borrower Insurance Proceeds Instruction;

(ff) it can be determined in its administration without any uncertainty which Beneficiary Rights belong to which Mortgage Receivables; and

(gg) each Relevant Mortgage Loan meets the Mortgage Loan Criteria as set forth below.

Mortgage Loan Criteria

Each of the Mortgage Loans will meet the following criteria (the "**Mortgage Loan Criteria**") at Closing:

(i) the Mortgage Loans are either:
  a. Interest-only mortgage loans ("*aflossingsvrije hypotheken*");
  b. Linear mortgage loans ("*lineaire hypotheken*");
  c. Annuity mortgage loans ("*annuïteitenhypotheken*");
  d. Investment-based mortgage loans ("*beleggingshypotheken*");
  e. Savings mortgage loans ("*spaarhypotheken*"), (only for SNS Bank and SNS Regio Bank);
  f. Life mortgage loans ("*levenhypotheken*") (only for SNS Regio Bank and BLG Hypotheekbank); or
  g. Mortgage loans which combine any of the above mentioned types of mortgage loans ("*combinatiehypotheken*");

(ii) the Borrower is a private individual and is a resident of the Netherlands and not an employee of any Seller;

(iii) the Borrower has made at least one monthly payment under the relevant Mortgage Loan;

(iv) the interest of each Mortgage Loan is either (i) fixed rate whereby the interest rates can be fixed for a specific period between 1 to 30 years; (ii) floating rate, or (iii) any other type of interest alternatives offered by the relevant Seller;

(v) each Mortgaged Asset is not the subject of residential letting and is occupied by the Borrower at the moment of (or shortly after) origination;

(vi) each Mortgage Loan has been entered into after 1 January 1998, save for Mortgage Loans originated by SNS Regio Bank, which have been entered into after September 2002;

(vii) interest payments are scheduled to be made monthly;

(viii) the maximum Outstanding Principal Amount of each Mortgage Receivable, or all Mortgage Receivables secured on the same Mortgaged Assets together, did not exceed 125 per cent. of the Foreclosure Value of the Mortgaged Assets upon origination of the Mortgage Receivable or Mortgage Receivables;

(ix) each Mortgage Loan, save for Interest-only Mortgage Loans originated by SNS Bank prior to 1 October 2003 has a legal maturity of not more than thirty (30) years;

(x) each Mortgage Loan has an original principal balance of not more than euro 750,000.

(xi) each Mortgage Loan is secured by a first ranking mortgage right;

(xii) each Mortgaged Asset is located in the Netherlands;

(xiii) all Mortgage Loans are fully disbursed (no "*bouwhypotheken*"); and

(xiv) none of the Mortgage Loans has been originated by Regio Bank N.V. prior to the merger with CVB Bank N.V.

Repurchase

If at any time any of the representations and warranties relating to the Relevant Mortgage Loans and the Relevant Mortgage Receivables given by the relevant Seller proves to have been untrue or incorrect in any material respect, the relevant Seller shall within 14 days of receipt of written notice thereof from the Issuer remedy the matter giving rise thereto, or if such matter is not capable of being remedied or is not remedied within the said period of 14 days, the relevant Seller shall repurchase and accept re-assignment of the Relevant Mortgage Receivable at the immediately succeeding Mortgage Payment Date.

If the relevant Seller agrees with a Borrower to make a Mortgage Loan Further Advance prior to the occurrence of an Assignment Notification Event and partial termination of the relevant mortgage right (see *Assignment Notification Events* below), the relevant Seller shall repurchase and accept re-assignment of the Relevant Mortgage Receivable at the immediately succeeding Mortgage Payment Date.

No repurchase and re-assignment of the Relevant Mortgage Receivable is required if the relevant Seller agrees with a Borrower to grant (i) a new mortgage loan secured by a new mortgage right which is lower-ranking than the mortgage right which secures the Mortgage Receivable or (ii) a loan or credit to a Borrower other than a mortgage loan, including, without limitation, by means of a personal loan, a home improvement loan or a current account facility.

If the relevant Seller agrees with a Borrower to amend the terms of the Relevant Mortgage Loan, or part of such Mortgage Loan, as a result of which the Relevant Mortgage Loan no longer meets the representations and warranties, including the Mortgage Loan Criteria, of the Mortgage Receivables Purchase Agreement (as set out above), the relevant Seller shall also repurchase and accept re-assignment of such Mortgage Receivable on the immediately succeeding Mortgage Payment Date.

If on the Mortgage Payment Date immediately following the date on which SNS Bank or the Savings Insurance Company complies with a request from the Borrower under the terms of a Savings Mortgage Loan with a Savings Alternative to switch whole or part of the premia accumulated in the relevant Savings Insurance Policy with the Savings Alternative into the Investment Alternative (the "**Savings Switch**"), SNS Bank shall also repurchase and accept re-assignment of the Relevant Mortgage Receivable on the immediately succeeding Mortgage Payment Date.

The purchase price for the Mortgage Receivable in such events will be equal to the Outstanding Principal Amount of the Mortgage Receivable, 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 re-assignment of the Mortgage Receivable except if:

(i) it concerns a Mortgage Loan Amendment, and
(ii) such Mortgage Receivable is either in arrears for a period exceeding 90 days or in respect of such Mortgage Receivable an instruction has been given to the civil-law notary to publicly sell the Mortgaged Assets,

the purchase price shall be at least the lesser of (i) the sum of an amount equal to the indexed foreclosure value of the Mortgaged Assets, 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.

Other than in the events set out above, none of the Sellers will be obliged to repurchase any Mortgage Receivables from the Issuer.

Clean-Up Call Option

On each Payment Date the Sellers, acting jointly, have the right to exercise the 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, or any third party appointed by the relevant Seller at its sole discretion, in case the Sellers, acting jointly, exercise the Clean-Up Call Option. See also *Sale of Mortgage Receivables* above.

Assignment Notification Events

The Mortgage Receivables Purchase Agreement provides that if, *inter alia*:

(a) a default is made by any Seller in the payment on the due date of any amount due and payable by it under the Mortgage Receivables Purchase Agreement or under any Relevant Document to which it is a party and such failure is not remedied within 10 business days after notice thereof has been given by the Issuer or the Security Trustee to the relevant Seller; or
(b) any Seller fails to duly perform or comply with any of its obligations under the Mortgage

Receivables Purchase Agreement or under any Relevant Document to which it is a party and, if such failure is capable of being remedied, such failure is not remedied within 10 business days after notice thereof has been given by the Issuer or the Security Trustee to the relevant Seller; or

(c) any Seller takes any corporate action or other steps are taken or legal proceedings are started or threatened against it for its dissolution ("*ontbinding*") and liquidation ("*vereffening*") or legal demerger ("*juridische splitsing*") involving the relevant Seller or its assets are placed under administration ("*onder bewind gesteld*"); 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 the Wft as amended from time to time, or in respect of BLG Hypotheekbank (preliminary) suspension of payments ("*(voorlopige) surseance van betaling*"), 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 of any or all of its assets; or

(e) the credit rating of SNS Bank's long term unsecured, unsubordinated and unguaranteed debt obligations falls below Baa1 by Moody's or such rating is withdrawn and/or falls below A- by Fitch or such rating is withdrawn, or

(f) SNS Regio Bank or BLG Hypotheekbank ceases to be a subsidiary of SNS Bank within the meaning of 2:24a of the Netherlands Civil Code; or

(g) SNS REAAL withdraws its 403-Declaration in respect of any of the Sellers, other than SNS Bank,

(each an "**Assignment Notification Event**") then each Seller to which the Assignment Notification Event relates shall, unless the Security Trustee delivers an Assignment Notification Stop Instruction, forthwith:

(a) notify or ensure that the relevant Borrowers and any other relevant parties indicated by the Issuer and/or the Security Trustee are forthwith notified of (i) the partial termination (x) in respect of SNS Bank, the mortgage rights and the rights of pledge securing the Relevant Mortgage Loans originated after the end of 2005 and the rights of pledge securing the Relevant Mortgage Loans originated before the end of 2005 and (y) in respect of BLG Hypotheekbank, the rights of pledge securing the Relevant Mortgage Loans and (z) in respect of SNS Regio Bank, the mortgage rights and the rights of pledge securing the Relevant Mortgage Loans, in as far as these mortgage rights and rights of pledge secure other debts than the Relevant Mortgage Receivables and (ii) the assignment of the Relevant Mortgage Receivables and the Beneficiary Rights relating thereto to the Issuer or, at its option, the Issuer shall be entitled to make such notifications itself; and

(b) release the Borrower Insurance Pledge in respect of the Insurance Policies and undertake its reasonable efforts to the effect that a first ranking right of pledge is created on the right of the Borrowers/insured under the Insurance Policies in favour of (i) the Issuer subject to the dissolving condition of the occurrence of a Security Trustee Pledge Notification Event and (ii) the Security Trustee subject to the condition precedent of the occurrence of a Security Trustee Pledge Notification Event; and

(c) with regard to the Investment-based Mortgage Loans, release the right of pledge in favour of the relevant Seller on the relevant securities, if any, and undertake to use its best efforts to create a first ranking pledge on the relevant securities in favour of (x) the Issuer subject to the dissolving condition of the occurrence of a Security Trustee Pledge Notification Event and (y) the Security Trustee subject to the condition precedent of the occurrence of a Security Trustee Pledge Notification Event; and

(d) notify or ensure that the Insurance Companies are notified of the assignment of the Beneficiary Rights.

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

Subject to the below, upon the occurrence of an Assignment Notification Event, the Security Trustee shall, after having notified the 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 (an "**Assignment Notification Stop Instruction**"). The Security Trustee shall not deliver any Assignment Notification Stop Instruction or shall withdraw any such Assignment Notification Stop Instruction that has been previously delivered by the Security Trustee to any Seller, if such Seller is in breach of any of its undertakings to the Swap Counterparty to determine Mortgage Interest Rates under Clause 2.2 of the interest rate reset agreement dated 18 June 2010 between the Sellers, the Issuer, the Security Trustee and the Swap Counterparty (the "**Interest Rate Reset Agreement**).

In addition, pursuant to the Beneficiary Waiver Agreement, SNS Bank and SNS Regio Bank waive their rights as beneficiaries under the Savings Insurance Policies, subject to the condition precedent of the occurrence of an Assignment Notification Event, and appoint as first beneficiary (x) the Issuer subject to the dissolving condition of the occurrence of an Security Trustee Pledge Notification Event and (y) the Security Trustee under the condition precedent of the occurrence of an Security Trustee Pledge Notification Event.

Furthermore, pursuant to the Beneficiary Waiver Agreement, to the extent that the waiver and appointment referred to above are not effective in respect of the Savings Insurance Policies and furthermore in respect of the Life Insurance Policies, the relevant Seller and in respect of Savings Insurance Policies, the Savings Insurance Company shall upon the occurrence of an Assignment Notification Event (a) use their best efforts to terminate the appointment of the relevant Seller as beneficiary under the Insurance Policies and to appoint as first beneficiary under the Insurance Policies (x) the Issuer under the dissolving condition of the occurrence of a Security Trustee Pledge Notification Event and (y) the Security Trustee under the condition precedent of the occurrence of a Security Trustee Pledge Notification Event and (b) with respect to Insurance Policies where a Borrower Insurance Proceeds Instruction has been given, use their best efforts to withdraw the Borrower Insurance Proceeds Instruction in favour of the relevant Seller and to issue such instruction in favour of (x) the Issuer under the dissolving condition of the occurrence of a Security Trustee Pledge Notification Event and (y) the Security Trustee under the condition precedent of the occurrence of a Security Trustee Pledge Notification Event.

Consent of the Savings Insurance Company
The Savings Insurance Company has, pursuant to each mortgage deed relating to a Savings Mortgage Loan, granted its consent ("*goedkeuring*") to (i) the sale and assignment of the Savings Mortgage Receivables by SNS Bank to the Issuer in accordance with the Mortgage Receivables Purchase Agreement and (ii) the pledge thereof by the Issuer to the Security Trustee in accordance with the Security Trustee Receivables Pledge Agreement.

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.

SUB-PARTICIPATION AGREEMENT

Under the Sub-Participation Agreement the Issuer has granted to the Savings Insurance Company a sub-participation in the Savings Mortgage Receivables, provided that, to the extent Savings Plus Mortgage Loans originated by SNS Bank are involved, this will only apply to Savings Plus Mortgage Loans to which a Savings Insurance Policy with the Savings Alternative is connected.

Savings Premium

The conditions applicable to the Savings Mortgage Loans which are subject to a Participation, stipulate that the Savings Premia paid by the Borrowers/insured will be deposited by the Savings Insurance Company on a savings account held with SNS Bank or SNS Regio Bank as the case may be.

SNS Bank and SNS Regio Bank have agreed with the Savings Insurance Company that it shall on-lend to the Savings Insurance Company amounts equal to the Savings Premia deposited on the savings account in order to facilitate the Savings Insurance Company in meeting its obligations under the Sub-Participation Agreement. However, the obligations of the Savings Insurance Company under the Sub-Participation Agreement are not conditional upon the receipt of such amounts from SNS Bank or SNS Regio Bank, as the case may be.

Participation

In the Sub-Participation Agreement the Savings Insurance Company has undertaken to pay to the Issuer:

(i) (a) at the purchase date of a Mortgage Receivable to which a Savings Insurance Policy (with respect to SNS Bank, that with the Savings Alternative) is connected (which is equal to the sum of all amounts due to the Savings Insurance Company as Savings Premium and accrued interest) and (b) in respect of a switch from any type of Mortgage Loan into a Savings Mortgage Loan (with respect to SNS Bank, that with the Savings Alternative), the next succeeding Mortgage Payment Date an amount equal to the sum of the Savings Premia received by the Savings Insurance Company with accrued interest (the "**Initial Participation**") in relation to each of the Savings Mortgage Receivables which are subject to a Participation;

(ii) on each Mortgage Payment Date an amount equal to the amount received by the Savings Insurance Company as Savings Premium during the Mortgage Calculation Period then ended in respect of the relevant Savings Insurance Policies provided that in respect of each relevant Savings Mortgage Receivable no amounts will be paid to the extent that, as a result thereof, the Participation in such relevant Savings Mortgage Receivable would exceed the Outstanding Principal Amount of the relevant Savings Mortgage Receivable which is subject to a Participation.

As a consequence of such payments the Savings Insurance Company will acquire a participation (the "**Participation**") in each of the relevant Savings Mortgage Receivables which are subject to a Participation, which is equal to the Initial Participation in respect of the relevant Savings Mortgage Receivables which are subject to a Participation, increased during each Mortgage Calculation Period on the basis of the following formula (the "**Participation Increase**"):

(P/H x R) + S, whereby

P = the Participation on the first day of the relevant Mortgage Calculation Period in the relevant Savings Mortgage Receivable;

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

H = the principal sum outstanding on the relevant Savings Mortgage Receivable on the first day of the relevant Mortgage Calculation Period;

R = the amount of interest, due by the Borrower on the relevant Savings Mortgage Receivable and actually received by the Issuer in such Mortgage Calculation Period.

In consideration for the undertakings of the Savings Insurance Company described above, the Issuer has undertaken to pay to the Savings Insurance Company on each Mortgage Payment Date an amount equal to the Participation in each of the Savings Mortgage Receivables which are subject to a Participation in respect of which amounts have been received during the relevant Mortgage Calculation Period or, in the case of the first Mortgage Payment Date, during the period which commences on the Cut-off Date and ends on the last day of the Mortgage Calculation Period immediately preceding such first Mortgage Payment Date (i) by means of repayment and prepayment under the relevant Savings Mortgage Receivables which are subject to a Participation, but excluding any prepayment penalties and interest penalties, if any, and, furthermore, excluding amounts paid as partial prepayments on the relevant Savings Mortgage Receivable, (ii) in connection with a repurchase of Savings Mortgage Receivables which are subject to a Participation pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal, (iii) in connection with a sale of Savings Mortgage Receivables which are subject to a Participation pursuant to the Trust Deed to the extent such amounts relate to principal and (iv) as Net Proceeds on any Savings Mortgage Receivables which are subject to a Participation to the extent such amounts relate to principal (the "**Participation Redemption Available Amount**").

Reduction of Participation

If a Borrower invokes a defence, including but not limited to a right of set-off or counterclaim against any person in respect of a Savings Mortgage Receivable which is subject to a Participation if, for whatever reason, the Savings Insurance Company does not pay the insurance proceeds when due and payable, whether in full or in part, under the relevant Savings Insurance Policy with the Savings Alternative and, as a consequence thereof, the Issuer will not have received any amount outstanding prior to such event in respect of such Savings Mortgage Receivable, the Participation of the Savings Insurance Company in respect of such Savings Mortgage Receivable, will be reduced by an amount equal to the amount which the Issuer has failed to so receive and the calculation of the Participation Redemption Available Amount shall be adjusted accordingly.

Enforcement Notice

If an Enforcement Notice is given by the Security Trustee to the Issuer, then and at any time thereafter the Security Trustee on behalf of the Savings Insurance Company may, and if so directed by the Savings Insurance Company shall, by notice to the Issuer:

(i) declare that the obligations of the Savings Insurance Company under the Sub-Participation Agreement are terminated;

(ii) declare the Participation to be immediately due and payable, whereupon it shall become so due and payable, but such payment obligations shall be limited to the Participation Redemption Available Amount received or collected by the Issuer or, in case of enforcement, the Security Trustee under the Savings Mortgage Receivables which are subject to a Participation.

Termination

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

ADMINISTRATION AGREEMENT

Services

In the Administration Agreement the Pool Servicers will agree (i) to provide administration and management services to the Issuer on a day-to-day basis in relation to the Relevant Mortgage Loans and the Relevant Mortgage Receivables, including, without limitation, the collection and recording of payments of principal, interest and other amounts in respect of the Mortgage Receivables and the implementation of arrears procedures including the enforcement of mortgage rights (see further *Mortgage Administration* in *Sellers and Residential Mortgage Business* above); (ii) to communicate with the relevant Borrowers and (iii) to investigate payment delinquencies. The Issuer Administrator will agree to provide certain administration, calculation and cash management services to the Issuer, including (a) the direction of amounts received by the relevant Seller to the Floating Rate GIC Account and the production of monthly reports in relation thereto, (b) drawings (if any) to be made by the Issuer under the Cash Advance Facility, (c) all payments to be made by the Issuer under the Swap Agreement, (d) all payments to be made by the Issuer under the Notes in accordance with the Paying Agency Agreement and the Conditions of the Notes, (e) the maintaining of all required ledgers in connection with the above and (f) all calculations to be made pursuant to the Conditions under the Notes.

Each Pool Servicer will be obliged to administer the Relevant Mortgage Loans and the Relevant Mortgage Receivables with the same level of skill, care and diligence as mortgage loans in its own portfolio.

Termination

The Administration Agreement may be terminated by the Security Trustee or the Issuer (with the consent of the Security Trustee) in certain circumstances, including (a) a default by any of the Pool Servicers and/or the Issuer Administrator in the payment on the due date of any payment due and payable by it under the Administration Agreement, (b) a default is made by any of the Pool Servicers and/or the Issuer Administrator in the performance or observance of any of its other covenants and obligations under the Administration Agreement, (c) any of the Pool Servicers and/or the Issuer Administrator has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for its entering into emergency regulations ("*noodregeling*") as referred to in Chapter 3 of the Wft or for any analogous insolvency proceedings under any applicable law or for bankruptcy or for the appointment of a receiver or a similar officer of its or any or all of its assets or (d) any of the Pool Servicers is no longer licensed as intermediary ("*bemiddelaar*") or offeror ("*aanbieder*") under the Wft.

Upon the occurrence of a termination event as set out above, the Security Trustee and the Issuer shall use their best efforts to appoint a substitute issuer administrator and/or pool servicer, as the case may be, and such substitute issuer administrator and/or pool servicer, as the case may be, shall enter into an agreement with the Issuer and the Security Trustee substantially on the terms of the Administration Agreement, provided that such substitute issuer administrator and/or pool servicer, as the case may be, shall have the benefit of a servicing fee and an administration fee at a level to be then determined. Any such substitute pool servicer must (i) have experience of administering mortgage loans and mortgages of residential property in the Netherlands and (ii) hold a licence under the Wft. The Issuer shall, promptly following the execution of such agreement, pledge its interest in such agreement in favour of the Security Trustee on the terms of the Security Trustee Assets Pledge Agreement, *mutatis mutandis*, to the satisfaction of the Security Trustee.

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

THE ISSUER

Holland Mortgage Backed Series (Hermes) XV B.V. (the "**Issuer**") was incorporated with limited liability under the laws of the Netherlands on 14 April 2008. The corporate seat ("*statutaire zetel*") of the Issuer is in Amsterdam, the Netherlands. The Issuer operates on a cross-border basis when offering the Notes in certain countries. The registered office of the Issuer is at Frederik Roeskestraat 123 1hg, 1076 EE Amsterdam and its telephone number is +31 20 5771 177. The Issuer is registered with the Commercial Register of the Chamber of Commerce of Amsterdam under number 34299745.

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

The Issuer has an authorised share capital of euro 90,000, of which euro 18,000 has been issued and is fully paid. All shares of the Issuer were formerly held by Stichting Holland Euro-Denominated Mortgage-Backed Series (Hermes) and have been transferred on 16 June 2010 to Stichting Holding Mortgage Backed Series (Hermes) XV.

Stichting Holding Mortgage Backed Series (Hermes) XV is a foundation ("*stichting*") incorporated under the laws of the Netherlands on 19 May 2010. The objects of Stichting Holding Mortgage Backed Series (Hermes) XV are, *inter alia*, to acquire and to hold shares in the share capital of the Issuer and comparable companies and to exercise all rights attached to such shares and to encumber such shares. The sole managing director of Stichting Holding Mortgage Backed Series (Hermes) XV is ATC Corporate Services (Netherlands) B.V.

Statement by managing director of the Issuer

Since the date of its last published financial statements dated 31 December 2009, there has been no material adverse change in the financial position or prospects of the Issuer. There are no legal, arbitration or governmental proceedings which may have, or have had, in the recent past, a significant effect on the Issuer's financial position or profitability nor, so far as the Issuer is aware, are any such proceedings pending or threatened against the Issuer.

The Issuer has the corporate power and capacity to issue the Notes, to acquire the Mortgage Receivables and to enter into and perform its obligations under the Relevant Documents (see further the section *Terms and Conditions of the Notes* starting on page 88 below).

The sole managing director of the Issuer is ATC Management B.V. The managing directors of ATC Management B.V. are J.H. Scholts, R. Rosenboom, R. Posthumus, R. Langelaar and A.R. van der Veen. The managing directors of ATC Management B.V. have chosen domicile at the office address of ATC Management B.V., being Frederik Roeskestraat 123 1hg, 1076 EE Amsterdam.

ATC Management B.V. belongs to the same group of companies as ATC Corporate Services (Netherlands) B.V.. The sole shareholder of ATC Management B.V. and ATC Corporate Services (Netherlands) B.V. is ATC Group B.V. The objectives of ATC Management B.V. are (a) advising of and mediation by financial and related transactions, (b) finance company, and (c) management of legal entities. The objectives of ATC Corporate Services (Netherlands) B.V. are (a) to represent financial, economic and administrative interests (b) to act as trust office (c) to participate in, to finance, to collaborate with, to conduct the management of companies and other enterprises and provide advice and other services (d) to acquire and use property and property rights (e) to invest funds and (f) to provide security for debts of legal entities.

Each of the Directors of Stichting Holding Mortgage Backed Series (Hermes) XV and the Issuer has entered into a management agreement with the entity of which it has been appointed managing director. In these management agreements each of the Directors agrees and undertakes to, *inter alia*, (i) do all that an adequate managing director should do and refrain from what an adequate managing director should not do, and (ii) refrain from taking any action detrimental to the obligations under any of the Relevant Documents or the then current ratings assigned to the Notes outstanding. In addition each of the Directors agrees in the relevant management agreement that it will not enter into any agreement in relation to the Issuer other than the Relevant Documents to which it is a party, without the prior written consent of the Security Trustee which consent will only be given if the Rating Agencies are notified of the entering into such agreement.

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

The financial year of the Issuer coincides with the calendar year. The first financial year has ended on 31 December 2008. The financial statements of the Issuer are incorporated by reference (See *Documents Incorporated by Reference*).

Capitalisation

The following table shows the capitalisation of the Issuer as of the Closing Date as adjusted to give effect to (i) the redemption of the Old Senior Class A Notes, (ii) the issue of the New Notes and (iii) the partial redemption of the Mezzanine Class B Notes and the Mezzanine Class C Notes:

Share Capital		
Authorised Share Capital	euro	90,000
Issued Share Capital	euro	18,000
Borrowings		
Senior Class A Notes	euro	1,500,000,000
Mezzanine Class B Notes	euro	9,750,000
Mezzanine Class C Notes	euro	43,650,000
Junior Class D Notes	euro	38,650,000
Subordinated Class E Notes	euro	26,100,000
Participation	euro	7,070,247.02

Responsibility statement

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

SNS Bank is solely responsible for the information contained in the following sections of this Prospectus: *Overview of the Dutch Residential Mortgage Market, SNS Bank N.V, Sellers and Residential Mortgage Business* and *Description of Mortgage Loans*. To the best of SNS Bank's knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained and specified as such in these paragraphs is in accordance with the facts and does not omit anything likely to affect the import of such information. Any information from third-parties contained and specified as such in these paragraphs has been accurately reproduced and as far as the relevant Seller 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. Each Seller accepts responsibility accordingly.

USE OF PROCEEDS

The net proceeds of the New Notes, to be issued on the Closing Date amount to euro 1,518,350,000. The net proceeds, together with proceeds from the sale of certain Mortgage Receivables, will be applied by the Issuer on the Closing Date towards redemption of the Old Senior Class A Notes and partial redemption of the Mezzanine Class B Notes and the Mezzanine Class C Notes.

DESCRIPTION OF SECURITY

In the Parallel Debt Agreement dated on the Closing Date, the Issuer will irrevocably and unconditionally undertaken to pay to the Security Trustee (the "**Parallel Debt**") an amount equal to the aggregate amount due ("*verschuldigd*") by the Issuer (i) as fees or other remuneration to the Directors under the Management Agreements, (ii) as fees and expenses to the Pool Servicers and the Issuer Administrator under the Administration Agreement, (iii) as fees and expenses to the Paying Agent and the Reference Agent under the Paying Agency Agreement, (iv) to the Cash Advance Facility Provider under the Cash Advance Facility Agreement, (v) to the Swap Counterparty under the Swap Agreement, (vi) to the Noteholders under the Notes, (vii) to each Seller under the Mortgage Receivables Purchase Agreement and (viii) to the Savings Insurance Company under the Sub-Participation Agreement (the parties referred to in items (i) through (viii) together the "**Secured Parties**"). The Parallel Debt constitutes a separate and independent obligation of the Issuer and constitutes the Security Trustee's own separate and independent claim ("*eigen en zelfstandige vordering*") to receive payment of the Parallel Debt from the Issuer. Upon receipt by the Security Trustee of any amount in payment of the Parallel Debt, the payment obligations of the Issuer to the Secured Parties shall be reduced by an amount equal to the amount so received and vice versa. The Parallel Debt replaces a parallel debt agreement dated the Initial Closing Date with respect to, *inter alia*, the obligations under the Old Senior Class A Notes.

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, save for amounts due to the Savings Insurance Company in connection with the Participations, among the Secured Parties in accordance with the Priority of Payments upon Enforcement. The amounts due to the Secured Parties, other than the Savings Insurance Company, will, broadly, be equal to amounts recovered ("*verhaald*") by the Security Trustee on (i) the Mortgage Receivables (other than Savings Mortgage Receivables which are subject to a Participation) and other assets pledged to the Security Trustee under the Security Trustee Receivables Pledge Agreement and the Security Trustee Asset Pledge Agreement and (ii) on each of the Savings Mortgage Receivables which are subject to a Participation to the extent the amount exceeds the Participation in the relevant Savings Mortgage Receivables.

The amounts due to the Savings Insurance Company will be equal to the Participation in each of the Savings Mortgage Receivables which are subject to a Participation or if the amount recovered is less than the Participation in such Savings Mortgage Receivables the amount equal to the amount actually recovered.

The Issuer will vest a right of pledge (the "**Security Trustee Receivables Pledge Agreement** ") in favour of the Security Trustee on the Mortgage Receivables and the Beneficiary Rights on the Closing Date, which will secure the payment obligations of the Issuer to the Security Trustee under the Parallel Debt Agreement and any other Relevant 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 in the event that certain notification events occur relating to the Issuer, including the issuing of an Enforcement Notice by the Security Trustee (the "**Security Trustee Pledge Notification Events**"). Prior to notification of the pledge to the Borrowers or the Insurance Companies, the pledge will be a "silent" right of pledge ("*stil pandrecht*") within the meaning of article 3:239 of the Netherlands Civil Code.

In addition, a right of pledge (the "**Security Trustee Assets Pledge Agreement** ", and together with the Security Trustee Receivables Pledge Agreement, the **"Pledge Agreements**") will be vested by the Issuer in favour of the Security Trustee on the Closing Date 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 Administration Agreement, (iv) the Sub-Participation Agreement, (v) the Swap Agreement, and (vi) the Floating Rate GIC and (b) in respect of the Floating Rate GIC Account. This right of pledge will be notified to the relevant obligors and will, therefore, be a disclosed right of pledge ("*openbaar pandrecht*"). The Pledge Agreements replace the pledge agreements entered into on the Initial Closing Date.

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

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

THE SECURITY TRUSTEE

Stichting Security Trustee Holland Mortgage Backed Series (Hermes) XV (the "**Security Trustee**") is a foundation ("*stichting*") incorporated under the laws of the Netherlands on 3 April 2008. It has its registered office in Amsterdam, the Netherlands.

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

The sole director of the Security Trustee is ANT Trust & Corporate Services N.V., having its registered office at Claude Debussylaan 24, Amsterdam, the Netherlands.

TERMS AND CONDITIONS OF THE NOTES

If Notes are issued in definitive form, the terms and conditions (the "**Conditions**"*) will be as set out below. The Conditions will be endorsed on each Note in definitive form if they are issued. While the Notes remain in global form, the same terms and conditions govern the Notes, except to the extent that they are not appropriate for Notes in global form.* *See section The Global Notes starting on page 104 below.*

The issue of the Euro 1,500,000,000 Senior Class A Mortgage-Backed Floating Rate Notes 2010 due 2042 (the "**Senior Class A Notes**") and the Euro 18,350,000 Junior Class D Mortgage-Backed Floating Rate Notes 2010 due 2042 (the "**New Junior Class D Notes**" and together with the Senior Class A Notes, the "**New Notes**") was authorised by a resolution of the managing director of Holland Mortgage Backed Series (Hermes) XV B.V. (the "**Issuer**") passed on 14 June 2010. The New Notes are issued under a trust deed dated the Initial Closing Date, as amended and restated on 18 June 2010 (the "**Trust Deed**") between the Issuer, Stichting Security Trustee Holland Mortgage Backed Series (Hermes) XV (the "**Security Trustee**") and Stichting Holding Mortgage Backed Series (Hermes) XV.

On the Initial Closing Date the Issuer issued under the Trust Deed the euro 2.752,100,000 Senior Class A Mortgage-Backed Notes 2008 due 2042 (the "**Old Senior Class A Notes**"), the euro 23,200,000 Class B Mortgage-Backed Notes 2008 due 2042 (the "**Mezzanine Class B Notes**"), the euro 78,300,000 Mezzanine Class C Mortgage-Backed Notes 2008 due 2042 (the "**Mezzanine Class C Notes**"), the euro 20,300,000 Junior Class D Mortgage-Backed Notes 2008 due 2042 (the "**Old Junior Class D Notes**" and together with the New Junior Class D Notes, the "**Junior Class D Notes**") and the euro 26,100,000 Subordinated Class E Mortgage Backed Notes 2008 due 2042 (the "**Subordinated Class E Notes**"). The New Junior Class D Notes will be fungible with the Old Junior Class D Notes.

On 18 June 2010 (the "**Closing Date**") the Issuer will apply the net proceeds of the issue of the New Notes and the proceeds of a sale of part of the Mortgage Receivables (i) to redeem the Old Senior Class A Notes in full and (ii) to partially redeem, on a pro rata basis, the Mezzanine Class B Notes and the Mezzanine Class C Notes on the Closing Date. As a consequence of the restructuring on the Closing Date the Principal Amount Outstanding (i) of the Senior Class A Notes will be Euro 1,500,000,000, (ii) of the Mezzanine Class B Notes will be euro 9,750,000, (iii) of the Mezzanine Class C Notes will be euro 43,650,000, (iv) of the Junior Class D Notes will be euro 38,650,000 and (v) of the Subordinated Class E Notes will be euro 26,100,000.

Further to noteholders' resolutions for each Class of Notes dated on or about 14 June 2010, the holders of the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Old Junior Class D Notes and the Subordinated Class E Notes have resolved that the terms and conditions applicable to the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Old Junior Class D Notes and the Subordinated Class E Notes, respectively, will be amended and restated in accordance with the Conditions set out below.

The statements in these terms and conditions of the Notes (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of (i) the Trust Deed, which will include the form of the Notes and the interest coupons appertaining to the Notes (the "**Coupons**"), the forms of the Temporary Global Notes and the Permanent Global Notes, (ii) a paying agency agreement (the "**Paying Agency Agreement**") dated the Initial Closing Date between the Issuer, the Security Trustee and The Royal Bank of Scotland N.V. as paying agent (the "**Paying Agent**") and reference agent (the "**Reference Agent**"), (iii) the administration agreement (the "**Administration Agreement**") dated the Initial Closing Date between the Issuer, the Pool Servicers, the Issuer Administrator and the Security Trustee, (iv) a parallel debt agreement (the "**Parallel Debt Agreement**") dated the Closing Date, between the Issuer, the Security Trustee and the Secured Parties, (v) a pledge agreement dated the Closing Date (the "**Security Trustee Receivables Pledge Agreement** ") between the Issuer and the Security Trustee and (vi) a pledge agreement dated the Closing Date, (the "**Security Trustee Assets Pledge Agreement** ") between the Issuer, the Security Trustee and others (jointly with the Security Trustee Receivables Pledge Agreement, the "**Pledge Agreements**").

Certain words and expressions used below are defined in a master definitions agreement (the "**Master Definitions Agreement**") dated 28 May 2008, as amended and restated on 16 June 2010, and signed by the Issuer, the Security Trustee, each Seller and certain other parties. Such words and expressions shall, except where the context requires otherwise, have the same meanings in these Conditions. The Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes and the Subordinated Class E Notes will together be referred to in the Conditions as the "**Notes**". As used herein, "**Class**" means either the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes or the Subordinated Class E Notes, as the case may be.

Copies of the Trust Deed, the Paying Agency Agreement, the Parallel Debt Agreement, the Pledge Agreements and the Master Definitions Agreement and certain other Relevant Documents (see under General Information) are available for inspection, free of charge, by holders of the Notes (the "**Noteholders**") at the specified office of the Paying Agent and the present office of the Security Trustee, being at the date hereof Claude Debussylaan 24, 1082 MD Amsterdam, the Netherlands. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Paying Agency Agreement, the Parallel Debt Agreement, the Pledge Agreements and the Master Definitions Agreement.

1. Form, Denomination and Title

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

2. Status, Relationship between the Notes and Security

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

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

(c) The security for the obligations of the Issuer towards the Noteholders (the "**Security**") will be created pursuant to, and on the terms set out in, the Trust Deed, the Parallel Debt Agreement and the Pledge Agreements, which will create the following security rights:

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

 (ii) a pledge by the Issuer to the Security Trustee of the Issuer's rights (a) under or in connection with (i) the Mortgage Receivables Purchase Agreement, (ii) the Cash Advance Facility Agreement, (iii) the Administration Agreement, (iv) the Sub-Participation Agreement, (v) the Swap Agreement and (vi) the Floating Rate GIC and (b) in respect of the Floating Rate GIC Account.

(d) The Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes and the Subordinated Class E Notes will be secured (directly and/or indirectly) by the Security. The Senior Class A Notes will rank in priority to the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes and the Subordinated Class E Notes, the Mezzanine Class B Notes will rank in priority to the Mezzanine Class C

Notes, the Junior Class D Notes and the Subordinated Class E Notes, the Mezzanine Class C Notes will rank in priority to the Junior Class D Notes and the Subordinated Class E Notes and the Junior Class D Notes will rank in priority to the Subordinated Class E Notes in the event of the Security being enforced. The "**Most Senior Class of Notes**" means the Senior Class A Notes or if there are no Senior Class A Notes outstanding, the Mezzanine Class B Notes, or if there are no Mezzanine Class B Notes outstanding, the Mezzanine Class C Notes, or if there are no Mezzanine Class C Notes outstanding, the Junior Class D Notes, or if there are no Junior Class D Notes outstanding, the Subordinated Class E Notes. The Trust Deed contains provisions requiring the Security Trustee to have regard to the interests of the holders of the Senior Class A Notes (the "**Senior Class A Noteholders**"), the holders of the Mezzanine Class B Notes (the "**Mezzanine Class B Noteholders**"), the holders of the Mezzanine Class C Notes (the "**Mezzanine Class C Noteholders**"), the holders of the Junior Class D Notes (the "**Junior Class D Noteholders**") and the holders of the Subordinated Class E Notes (the "**Subordinated Class E Noteholders**"), as regards all powers, trust, authorities, duties and discretions of the Security Trustee (except where expressly provided otherwise) but requiring the Security Trustee in any such case to have regard only to the interests of the holders of the Most Senior Class of Notes, if, in the Security Trustee's opinion, there is a conflict between the interests of the holders of the Most Senior Class of Notes on the one hand and the holders of junior ranking Notes on the other hand.

In addition, the Security Trustee shall have regard to the interests of the other Secured Parties, provided that, in case of a conflict of interest between the Secured Parties, the Priority of Payments upon Enforcement set forth in the Trust Deed, determines which interest of which Secured Party prevails.

3. Covenants of the Issuer

As long as any of the Notes remain outstanding, the Issuer shall carry out its business in accordance with proper and prudent Netherlands business practice and in accordance with the requirements of Netherlands law and accounting practice and shall not, except to the extent permitted by the Master Definitions Agreement, the Mortgage Receivables Purchase Agreement, the Administration Agreement, the Swap Agreement, the Floating Rate GIC, the Cash Advance Facility Agreement, the Pledge Agreements, the Parallel Debt Agreement, the Notes Purchase Agreement, the Sub-Participation Agreement, the Beneficiary Waiver Agreement, the Interest Rate Reset Agreement, the Notes, the Paying Agency Agreement, the Management Agreements, the Deed of Assignment, any Substitution and Repurchase Deed and the Trust Deed (together the "**Relevant Documents**") or with the prior written consent of the Security Trustee:

(a) carry out any business other than as described in the Prospectus dated 18 June 2010 relating to the issue of the Notes and as contemplated by the Relevant Documents;

(b) incur any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness;

(c) create or promise to create any mortgage, charge, pledge, lien or other security interest whatsoever over any of its assets, or use, invest, sell, transfer or otherwise dispose of or grant any options or rights on any part of its assets;

(d) consolidate or merge with any other person or convey or transfer its assets substantially or as an entirety to one or more persons;

(e) permit the validity or effectiveness of the Relevant Documents, or the priority of the security created thereby or pursuant thereto to be amended, terminated, postponed or discharged, or permit any person whose obligations form part of such security rights to be released from such obligations or consent to any waiver;

(f) have any employees or premises or have any subsidiary or subsidiary undertaking; or

(g) have an interest in any bank account other than the Floating Rate GIC Account and the account, if any, on which the swap collateral will be posted, unless all rights in relation to such account have been pledged to the Security Trustee as provided in Condition 2(c)(ii).

4. Interest

(a) Period of Accrual

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

(b) *Interest Periods and Payment Dates*
Interest on the Notes is payable by reference to successive interest periods. Each successive interest period will commence on (and include) a Payment Date and end on (but exclude) the next succeeding Payment Date (each an "**Interest Period).**

Interest on the Notes shall be payable quarterly in arrear in Euros, in each case in respect of the Principal Amount Outstanding of each Class of Notes on the Closing Date and on the 18th day of January, April, July, October (or, if such day is not a Business Day, the next succeeding Business Day, unless such Business Day falls in the next succeeding calendar month in which event interest on the Notes will be payable on the Business Day immediately preceding such day) in each year (each such day being a "**Payment Date**").

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

(c) *Interest prior to the Step-Up Date*
Up to (but excluding) the Payment Date falling in April 2015 (the "**Step-Up Date**"), interest on the Notes for each Interest Period will accrue from the Closing Date at an annual rate of interest equal to the sum of the Euro Interbank Offered Rate ("**Euribor**") for three months deposits in Euros (determined in accordance with paragraph (e) below) (or, in respect of the first Interest Period, the rate which represents Euribor for one month deposits in euro), plus:
(i) for the Senior Class A Notes, a margin of 1.30 per cent. per annum;
(ii) for the Mezzanine Class B Notes, a margin of 0.60 per cent. per annum;
(iii) for the Mezzanine Class C Notes, a margin of 1.10 per cent. per annum;
(iv) for the Junior Class D Notes, a margin of 1.80 per cent. per annum; and
(v) for the Subordinated Class E Notes, a margin of 9.75 per cent. per annum.

(d) *Interest following the Step-Up Date*
If on the Step-Up Date any Class of Notes has not been redeemed in full, the rate of interest applicable to the Notes will accrue in the Interest Period commencing on the Step-Up Date and each Interest Period thereafter at an annual rate equal to the sum of Euribor for three months deposits in Euros, plus:
(i) for the Senior Class A Notes, a margin of 2.60 per cent. per annum;
(ii) for the Mezzanine Class B Notes, a margin of 1.50 per cent. per annum;
(iii) for the Mezzanine Class C Notes, a margin of 2.20 per cent. per annum;
(iv) for the Junior Class D Notes, a margin of 2.70 per cent. per annum; and
(v) for the Subordinated Class E Notes, a margin of 15.00 per cent. per annum.

(e) *Euribor*
For the purpose of Conditions 4(c) and (d) Euribor will be determined as follows:
(i) The Reference Agent will, subject to Condition 4(c), obtain for each Interest Period the rate equal to Euribor for three months deposits in Euros. The Reference Agent shall use the Euribor rate as determined and published jointly by the European Banking

Federation and ACI - The Financial Market Association and which appears for information purposes on the Reuters Screen EURIBOR01, (or, if not available, any other display page on any screen service maintained by any registered information vendor for the display of the Euribor rate selected by the Reference Agent) as at or about 11.00 am (Brussels time) on the day that is two Business Days preceding the first day of each Interest Period (each an "**Euribor Interest Determination Date"**)

(ii) If, on the relevant Euribor Interest Determination Date, such Euribor rate is not determined and published jointly by the European Banking Association and ACI — The Financial Market Association, or if it is not otherwise reasonably practicable to calculate the rate under (i) above, the Reference Agent will:

(A) request the principal Euro-zone office of each of four major banks in the Euro-zone interbank market (the "**Euribor Reference Banks**") to provide a quotation for the rate at which three months euro deposits are offered by it in the Euro-zone interbank market at approximately 11.00 am (Brussels time) on the relevant Euribor Interest Determination Date to prime banks in the Euro-zone interbank market in an amount that is representative for a single transaction at that time; and

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

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

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

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

The Reference Agent will, as soon as practicable after 11.00 am (Brussels time) on each Euribor Interest Determination Date, determine the rates of interest referred to in paragraphs (c) and (d) above for each Class of Notes (the "**Rates of Interest**") and calculate the amount of interest payable on each relevant Class of Notes for the following Interest Period (the "**Interest Amount**") by applying, as provided in Condition 4(a), the relevant Rates of Interest to the Principal Amount Outstanding of each Class of Notes respectively. The determination of the relevant Rates of Interest and each Interest Amount by the Reference Agent shall (in the absence of manifest error) be final and binding on all parties.

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

The Reference Agent will cause the relevant Rates of Interest and the relevant Interest Amount and the 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, Euronext Amsterdam and notice thereof to be published in accordance with Condition 13 as soon as possible after the determination. The Rates of Interest, Interest Amount and Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period.

(h) *Determination or Calculation by Security Trustee*

If the Reference Agent at any time for any reason does not determine the relevant Rates of Interest or fails to calculate the relevant Interest Amounts in accordance with Condition 4(f) above, the Security Trustee shall determine the relevant floating rate of interest, at such rate as, in its absolute discretion (having such regard as it shall think fit to the procedure described in Condition 4(e) above), it shall deem fair and reasonable under the circumstances, or, as the case may be, the Security Trustee shall calculate the Interest Amounts in accordance with 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 Banks and Reference Agent*

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

5. Payment

(a) Payment of principal and interest in respect of 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 in cash or by transfer to an euro account, as the holder may specify. All such payments are subject to any fiscal or other laws and regulations applicable in the place of payment.

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

(c) If the relevant Payment Date is not a day on which banks are open for business in the place of presentation of the relevant Note or Coupon, the holder thereof shall not be entitled to payment until the next following day on which banks are open for business in the place of presentation, or to any interest or other payment in respect of such delay, provided that in the case of payment by transfer to an euro account as referred to above, the Paying Agent shall not be obliged to credit such account until the day on which banks in the place of such account are open for business immediately following the day on which banks are open for business in the Netherlands.

(d) The Issuer reserves the right at any time to vary or terminate the appointment of the Paying Agent and to appoint additional or other paying agents provided that no paying agent located in the United States of America will be appointed and that the Issuer will at all times maintain a paying agent having a specified office in a European city which, for as long as the Notes are listed on Euronext Amsterdam, shall be located in Amsterdam, the Netherlands. The Issuer will ensure that it maintains a paying agent with a specified office in a Member State that will not be obliged to withhold or deduct tax pursuant to the EU Savings Directive. Notice of any termination or appointment of a Paying Agent and of any changes in the specified offices of the Paying Agent will be given to the Noteholders in accordance with Condition 13.

6. Redemption

(a) *Final redemption*

If and to the extent not otherwise redeemed, the Issuer will, subject to Condition 9(b), redeem the Notes at their respective Principal Amount Outstanding on the Payment Date falling in April 2042 (the "**Final Maturity Date**").

(b) *Mandatory redemption*

Provided that no Enforcement Notice has been served in accordance with Condition 10, without prejudice to the obligations in Condition 6(g), the Issuer shall be obliged to apply the Redemption Available Amount, to redeem, whether in full or in part, at their respective Principal Amount Outstanding the Notes on each Payment Date on a *pro rata* basis in the following order, (i) firstly, the Senior Class A Notes until fully redeemed and, thereafter, (ii) the Mezzanine Class B Notes until fully redeemed, and, thereafter, (iii) the Mezzanine Class C Notes until fully redeemed and, thereafter, (iv) the Junior Class D Notes until fully redeemed and, thereafter, (v) the Subordinated Class E Notes until fully redeemed.

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

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

"**Redemption Available Amount**" shall mean on any Calculation Date the aggregate amount received by the Issuer during the immediately preceding Calculation Period:

(i) as repayment and prepayment of principal under the Mortgage Receivables, but excluding prepayment penalties less, with respect to each Savings Mortgage Receivable which is subject to a Participation, the Participation in such Savings Mortgage Receivable;

(ii) as Net Proceeds on any Mortgage Receivable to the extent such proceeds relate to principal less, with respect to each Savings Mortgage Receivable which is subject to a Participation, the Participation in such Savings Mortgage Receivable;

(iii) as amounts received in connection with a repurchase of Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement and any other amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal less, with respect to each Savings Mortgage Receivable which is subject to a Participation, the Participation in such Savings Mortgage Receivable;

(iv) as amounts received in connection with a sale of Mortgage Receivables pursuant to the Trust Deed to the extent such amounts relate to principal less, with respect to each Savings Mortgage Receivable which is subject to a Participation, the Participation in such Savings Mortgage Receivable;

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

(vi) as Participation Increase and as amounts to be received as Initial Participation on the immediately succeeding Payment Date pursuant to the Sub-Participation Agreement; and

(vii) as amounts equal to the excess (if any) of (a) the sum of the aggregate proceeds of the issue of the Notes and the Initial Participation in respect of the Savings Mortgage Receivables over (b) the Outstanding Principal Amount.

"**Net Proceeds**" shall mean the sum of (a) the proceeds of a foreclosure on the mortgage right, (b) the proceeds of foreclosure on any other collateral securing the Mortgage Receivable, (c) the proceeds, if any, of collection of any insurance policies in connection with the Mortgage Receivable, including but not limited to life insurance and fire insurance, (d) the proceeds of any guarantees or sureties, and (e) the proceeds of foreclosure on any other assets of the relevant debtor, after deduction of foreclosure costs.

"**Calculation Date**" means, in relation to a Calculation Period, the second business day prior to each Payment Date.

"**Calculation Period**" means, in relation to a Calculation Date, the three successive Mortgage Calculation Periods immediately preceding such Calculation 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 commenced on (and included) the Cut-off Date and ended on (and included) 31 May 2008.

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

(i) On each Calculation Date, the Issuer shall determine (or cause the Issuer Administrator to determine) (x) the Redemption Available Amount and, as the case may be, the Further Redemption Available Amount, (y) the Principal Redemption Amount due for the Notes of the relevant Class on the Payment Date and, as the case may be, the Further Redemption Amount due for the relevant Class of Notes on the Payment Date, and (z) the Principal Amount Outstanding of the relevant Note on the first day following the Payment Date. Each such determination by or on behalf of the Issuer shall in each case (in the absence of manifest error) be final and binding on all persons.

(ii) The Issuer or the Issuer Administrator on its behalf will on each Calculation Date cause each determination of (x) the Redemption Available Amount and, as the case may be, the Further Redemption Available Amount, (y) the Principal Redemption Amount due for the relevant Class of Notes on the Payment Date and, as the case may be, the Further Redemption Amount due for the relevant Class of Notes on the Payment Date, and (z) 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, Euronext Amsterdam and notice thereof to be published in accordance with Condition 13. If no Principal Redemption Amount is due to be made on the Notes on any applicable 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 (x) the Redemption Available Amount and, as the case may be, the Further Redemption Available Amount, (y) the Principal Redemption Amount due for the relevant Class of Notes on the Payment Date and, as the case may be, the Further Redemption Amount due for the relevant Class of Notes on the Payment Date, and (z) the Principal Amount Outstanding of the Notes, such (x) Redemption Available Amount and, as the case may be, Further Redemption Available Amount, (y) Principal Redemption Amount due for the relevant Class of Notes on the Payment Date and, as the case may be, Further Redemption Amount due for the relevant Class of Notes on the Payment Date, and (z) Principal Amount Outstanding of the Notes shall be determined by the Security Trustee in accordance with Condition 6(a), (b) and (c) (but based upon the information in its possession as to the Principal Redemption Amount due for the relevant Class of Notes on the Payment Date and, as the case may be, the Further Redemption Amount due for the relevant Class of Notes on the Payment Date) 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 manifest error) be final and binding on all persons.

(e) *Optional Redemption*

Unless previously redeemed in full, the Issuer may, at its option, on giving not more than 60 nor less than 30 days written notice to the Security Trustee and the Noteholders in accordance with Condition 13, on the Payment Date falling in April 2015 and on any Payment Date thereafter (each an "**Optional Redemption Date**") redeem all (but not some only) Notes, at their Principal Amount Outstanding on such date if the Issuer has sufficient funds available to it for this purpose, less (i) in the case of the Mezzanine Class B Notes, the Mezzanine Class B Principal Shortfall (if any), (ii) in the case of the Mezzanine Class C Notes, the Mezzanine Class C Principal Shortfall (if any), (iii) in the case of the Junior Class D Notes, the Junior Class D Principal Shortfall (if any) and (iv) in the case of the Subordinated Class E Notes, the Subordinated Class E Principal Shortfall (if any).

(f) *Clean-up call*

If on any Payment Date the aggregate Outstanding Principal Amount of the Mortgage Receivables is equal to or less than ten (10) per cent. of the aggregate Outstanding Principal Amount of the Mortgage Receivables on the Closing Date, the Issuer has the option (but not the obligation) to redeem all of the Notes, in whole but not in part at their Principal Amount Outstanding, subject to and in accordance with Condition 9(b). No Class of Notes may be redeemed under such circumstances unless the other Classes of Notes (or such of them as are then outstanding) are also redeemed in full at the same time.

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

(g) *Further Mandatory Redemption*

Provided that no Enforcement Notice has been served in accordance with Condition 10 and, without prejudice to the obligations in Condition 6(b), the Issuer will be obliged to apply the Further Redemption Available Amount to redeem (or partially redeem) the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes and/or the Subordinated Class E Notes on the Step-Up Date and each Payment Date thereafter on a *pro rata* basis in the following order (a) firstly, the Senior Class A Notes until fully redeemed, and, thereafter, (b) the Mezzanine Class B Notes until fully redeemed, and, thereafter, (c) the Mezzanine Class C Notes until fully redeemed, and, thereafter, (d) the Junior Class D Notes until fully redeemed, and, thereafter, (e) the Subordinated Class E Notes until fully redeemed. For the purpose of this Condition "**Further Redemption Available Amount**" shall mean an amount equal to the positive difference, if any, between the Interest Available Amount as calculated on each Calculation Date and the sum of all amounts payable by the Issuer as set forth in the Interest Priority of Payments under (a) up to and including (p). The principal amount so redeemable in respect of each Note (the "**Further Redemption Amount**"), on the relevant Payment Date shall be the Further Redemption Available Amount on the Calculation Date relating to the Payment Date divided by the number of Notes of the relevant Class subject to such redemption (rounded down to the nearest euro), provided always that the amount so redeemable, taking into account any Principal Redemption Amount due in accordance with Condition 6(b), may never exceed the Principal Amount Outstanding of the relevant Note of the relevant Class. Following application of the relevant amount redeemable in respect of the Note, the Principal Amount Outstanding of such Note shall be reduced accordingly.

(h) *Redemption for tax reasons*

The Notes may be redeemed at the option of the Issuer, in whole, but not in part, on any Payment Date at their Principal Amount Outstanding, subject to Condition 9(b), together with interest accrued up to and including the date of redemption, on giving not less than 30 nor more than 60 days' notice to the Noteholders and the Security Trustee at their Principal

Amount Outstanding, if, immediately prior to giving such notice, the Issuer has satisfied the Security Trustee that:

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

(b) the Issuer will have sufficient funds available on the Calculation Date immediately preceding such 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 in accordance with the Trust Deed.

No Class of Notes may be redeemed under such circumstances unless all Classes of Notes (or such of them as are then outstanding) are also redeemed in full at the same time.

7. Taxation

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

8. Prescription

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

9. Subordination

(a) *Interest*

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

Conditions as if it were interest due, subject to this Condition, on each Mezzanine Class B Note on the next succeeding Payment Date.

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

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

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

(b) *Principal*

Until the date on which the Principal Amount Outstanding of all Senior Class A Notes**,** the Mezzanine Class B Noteholders will not be entitled to any repayment of principal in respect of the Mezzanine Class B Notes. If, on any Payment Date, there is a balance on the Class B Principal Deficiency Ledger, then notwithstanding any other provisions of these Conditions, the principal amount payable on redemption of each Mezzanine Class B Note on such Payment Date shall not exceed its Principal Amount Outstanding less the Mezzanine Class B Principal Shortfall on such Payment Date. The "**Mezzanine Class B Principal Shortfall**" shall mean an amount equal to the quotient of the balance on the Class B Principal Deficiency Ledger and the number of Mezzanine Class B Notes outstanding on such Payment Date. The Mezzanine Class B Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Mezzanine Class B Notes after the date on which the Issuer no longer holds any Mortgage Receivables and there is no balance standing to the credit of the Floating Rate GIC Account and the Issuer has no further rights under or in connection with any of the Relevant Documents.

Until the date on which the Principal Amount Outstanding of all Senior Class A Notes, and Mezzanine Class B Notes are reduced to zero, the Mezzanine Class C Noteholders will not be entitled to any repayment of principal in respect of the Mezzanine Class C Notes. If, on any Payment Date, there is a balance on the Class C Principal Deficiency Ledger, then notwithstanding any other provisions of these Conditions the principal amount payable on redemption of each Mezzanine Class C Note on such Payment Date shall not exceed its Principal Amount Outstanding less the Mezzanine Class C Principal Shortfall on such Payment Date. The "**Mezzanine Class C Principal Shortfall**" shall mean an amount equal to the quotient of the balance on the Class C Principal Deficiency Ledger and the number of Mezzanine Class C Notes outstanding on such Payment Date. The Mezzanine Class C Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Mezzanine Class C Notes after the date on which the Issuer no longer holds any Mortgage Receivables and there is no balance standing to the credit of the Floating Rate GIC Account and the Issuer has no further rights under or in connection with any of the Relevant Documents.

Until the date on which the Principal Amount Outstanding of all Senior Class A Notes, Mezzanine Class B Notes and Mezzanine Class C Notes are reduced to zero, the Junior Class D Noteholders will not be entitled to any repayment of principal in respect of the Junior Class D Notes. If, on any Payment Date, there is a balance on the Class D Principal Deficiency Ledger, then notwithstanding any other provisions of these Conditions the principal amount payable on redemption of each Junior Class D Note on such Payment Date shall not exceed its Principal Amount Outstanding less the Junior Class D Principal Shortfall on such Payment Date. The "**Junior Class D Principal Shortfall**" shall mean an amount equal to the quotient of the balance on the Class D Principal Deficiency Ledger and the number of Junior Class D Notes outstanding on such Payment Date. The Junior Class D Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Junior Class D Notes after the date on which the Issuer no longer holds any Mortgage Receivables and there is no balance standing to the credit of the Floating Rate GIC Account and the Issuer has no further rights under or in connection with any of the Relevant Documents.

Until the date on which the Principal Amount Outstanding of all Senior Class A Notes Mezzanine Class B Notes, Mezzanine Class C Notes and the Junior Class D Notes are reduced to zero, the Subordinated Class E Noteholders will not be entitled to any repayment of principal in respect of the Subordinated Class E Notes. If, on any Payment Date, there is a balance on the Class E Principal Deficiency Ledger, then notwithstanding any other provisions of these Conditions the principal amount payable on redemption of each Subordinated Class E Note on such Payment Date shall not exceed its Principal Amount Outstanding less the Subordinated Class E Principal Shortfall on such Payment Date. The "**Subordinated Class E Principal Shortfall**" shall mean an amount equal to the quotient of the balance on the Class E Principal Deficiency Ledger and the number of Subordinated Class E Notes outstanding on such Payment Date. The Subordinated Class E Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Subordinated Class E Notes after the date on which the Issuer no longer holds any Mortgage Receivables and there is no balance standing to the credit of the Floating Rate GIC Account and the Issuer has no further rights under or in connection with any of the Relevant Documents.

(c) *General*

In the event that the Security in respect of the Notes and the Coupons appertaining thereto has been fully enforced and the proceeds of such enforcement, after payment of all other claims ranking under the Trust Deed in priority to 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.

10. Events of Default

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

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

(b) the Issuer fails to perform any of its other obligations binding on it under the Notes of the Relevant Class, the Trust Deed, the Paying Agency Agreement or the Pledge Agreements and, except where such failure, in the reasonable opinion of the Security Trustee, is incapable of remedy, such default continues for a period of 21 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 21 days; or

(d) if any order shall be made by any competent court or other authority or a resolution passed for the dissolution or winding-up 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 is 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 Most Senior Class of Notes irrespective of whether an Extraordinary Resolution is passed by the holders of such Class or Classes of Notes ranking junior to the Most Senior Class of Notes, unless an Enforcement Notice in respect of the Most Senior Class of Notes has been given by the Security Trustee. In exercising its discretion as to whether or not to give an Enforcement Notice to the Issuer in respect of the Most Senior Class of Notes, the Security Trustee shall not be required to have regard to the interests of the holders of any Class of Notes ranking junior to the Most Senior Class of Notes.

11. Enforcement

(a) At any time after an Enforcement Notice has been given and 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 Coupons, but it need not take any such proceedings unless (i) it shall have been directed by an Extraordinary Resolution of the Senior Class A Noteholders or, if all amounts due in respect of the Senior Class A Notes have been fully paid, the Mezzanine Class B Noteholders or, if all amounts due in respect of the Senior

Class A Notes and the Mezzanine Class B Notes have been fully paid, the Mezzanine Class C Noteholders or, if all amounts due in respect of the Senior Class A Notes, the Mezzanine Class B Notes and the Mezzanine Class C Notes have been fully paid, the Junior Class D Noteholders or, if all amounts due in respect of the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes and the Junior Class D Notes have been fully paid, the Subordinated Class E Noteholders and (ii) it shall have been indemnified to its satisfaction.

(b) No Noteholder may proceed directly against the Issuer unless the Security Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

(c) The Noteholders 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 is 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.

13. Notices

With the exception of the publications from the Reference Agent in Condition 4 and from the Issuer in Condition 6, all notices to the Noteholders will only be valid if published in the English language in at least one daily newspaper of wide circulation in the Netherlands, or, if such newspaper shall cease to be published or timely publication therein shall not be practicable, in such newspaper as the Security Trustee shall approve having a general circulation in Europe and, as long as the Notes are listed on Eurolist by Euronext Amsterdam, on the website of the Issuer at www.securitisation.nl and through a press release. Any such notice shall be deemed to have been given on the first date of such publication.

Until such time as any definitive Notes are issued, any notices may (provided that, in the case of any publication required by a stock exchange, the rules of the stock exchange so permit), so long as the Global Note(s) is or are held in its or their entirety with a depository or a common depositary or a common safekeeper on behalf of Euroclear and Clearstream, Luxembourg, be substituted for publication in the newspaper(s) referred to above, by delivery of the relevant notice to Euroclear and Clearstream, Luxembourg and for communication by them to the Noteholders. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Definitive Notes) with the relative Note or Notes, with the Paying Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any Noteholder to the Paying Agent through Euroclear and Clearstream, Luxembourg, as the case may be, in such manner as the Paying Agent and Euroclear and Clearstream, Luxembourg, as the case may be, may approve for this purpose.

14. Meetings of Noteholders; Modification; Consents; Waiver

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

No change of certain terms by the Noteholders of any Class including the date of maturity of the Notes of the relevant Class, or a change which would have the effect of postponing any day for payment of interest in respect of such Notes, reducing or cancelling the amount of principal payable in respect of such Notes or altering the rate of interest payable in respect of such Notes or altering the majority required to pass an Extraordinary Resolution or any alteration of the date or priority of redemption of such Notes (any such change in respect of any such Class of Notes referred to below as a "**Basic Terms Change**") shall be effective unless such Basic Terms Change is sanctioned by Extraordinary Resolution of the Noteholders of the relevant Class of Notes, except that, if the Security Trustee is of the opinion that such a Basic Terms Change is being proposed by the Issuer as a result of, or in order to avoid, an Event of Default, no such Extraordinary Resolution of the Noteholders of the relevant Class of Notes is required.

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

No Extraordinary Resolution to sanction a change which would have the effect of accelerating or extending the maturity of a Class of Notes, or any date for payment of interest thereon, increasing the amount of principal or the rate of interest payable in respect of a Class of Notes, shall take effect unless (i) the Issuer has agreed thereto, (ii) the Swap Counterparty has agreed thereto and (iii) it shall have been sanctioned by an Extraordinary Resolution of the holders of all Notes ranking junior to the Most Senior Class of Notes.

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

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

(b) The Security Trustee may agree, without the consent of the Noteholders, to (i) any modification of any of the provisions of the Relevant Documents which is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except if prohibited in the Relevant Documents), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Relevant Documents which is in the opinion of the Security Trustee not materially prejudicial to the interests of the Noteholders, provided that the Security Trustee has notified the Rating Agencies of such modification, authorisation or waiver. Any such modification, authorisation or waiver shall be binding on the Noteholders and, if the Security Trustee so requires, such modification shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

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

15. Replacements of Notes and Coupons

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

16. Governing Law

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

THE GLOBAL NEW NOTES

The Senior Class A Notes shall be initially represented by a temporary global note in bearer form, without coupons (the "**Temporary Global Note**"), in the case of the Senior Class A Notes in the principal amount of euro 1,500,000,000, and (ii) in the case of the New Junior Class D Notes in the principal amount of euro 18,350,000, Each Temporary Global Note will be deposited with a common safekeeper for Euroclear Bank S.A./N.V., as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, sociéte anonyme ("**Clearstream, Luxembourg**") on or about the Closing Date. Upon deposit of each such Temporary Global Note, Euroclear and Clearstream, Luxembourg, as the case may be, will credit each purchaser of New 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-US beneficial ownership by the Noteholders has been received) not earlier than 40 days after the issue date of the New Notes (the "**Exchange Date**") for interests in a permanent global note (each a "**Permanent Global Note**"), in bearer form, without coupons, in the principal amount of the New Notes (the expression "**Global Notes**" meaning the Temporary Global Notes of each Class of New Notes and the Permanent Global Notes of each Class of New Notes and the expression "**Global Note**" means any of them, as the context may require). On the exchange of a Temporary Global Note for a Permanent Global Note of the relevant Class of Notes, the Permanent Global Note will remain deposited with the common safekeeper.

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

The Global Notes will be transferable by delivery. Each Permanent Global Note will be exchangeable for New Notes in definitive form only in the circumstances described below. Such New Notes in definitive form shall be issued in denominations of euro 50,000 or, as the case may be, in the then Principal Amount Outstanding of the New 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 New 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-US 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 New Notes.

For so long as any New Notes are represented by a Global Note, such New Notes will be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as appropriate.

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

For so long as any New Notes of a particular Class of New Notes 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 New Note will be treated by the Issuer and the Security Trustee as a holder of such principal amount of that New Note 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 New Notes and the respective principal amount of such New Notes held by them shall be conclusive for all purposes.

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

Senior Class A Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Senior Class A Notes; and

New Junior Class D Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the New Junior Class D Notes;

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

TAXATION IN THE NETHERLANDS

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

The summary provided below is based on the information provided in this Prospectus and on the Netherlands tax laws, regulations, resolutions and other public rules with legal effect, and the interpretation thereof under published case law, all as in effect on the date of this Prospectus and with the exception of subsequent amendments with retroactive effect.

Subject to the foregoing:

1. No registration, stamp, transfer or turnover taxes or other similar duties or taxes will be payable in the Netherlands in respect of the offering and the Issue of the Notes by the Issuer or in respect of the signing and delivery of the Documents.

2. No Netherlands withholding tax will be due on payments of principal and/or interest.

3. A holder of Notes (a 'Holder') will not be subject to Netherlands taxes on income or capital gains in respect of the acquisition or holding of Notes or any payment under the Notes or in respect of any gain realised on the disposal or redemption of the Notes, provided that:

   (i) such Holder is neither a resident nor deemed to be a resident nor has opted to be treated as a resident in the Netherlands; and
   (ii) such Holder does not have an enterprise or an interest in an enterprise that, in whole or in part, is carried on through a permanent establishment or a permanent representative in the Netherlands and to which permanent establishment or permanent representative the Notes are attributable;

   and, if the Holder is a legal person, an open limited partnership ("*open commanditaire vennootschap*" or another company with a capital divided into shares or a special purpose fund ("*doelvermogen*"),

   (iii) such Holder does not have a substantial interest* in the share capital of the Issuer and/or any Seller or in the event that such Holder does have such an interest, such interest forms part of the assets of an enterprise; and
   (iv) such Holder does not have a deemed Netherlands enterprise to which enterprise the Notes are attributable;

   and, if the Holder is a natural person,

   (v) such Holder does not derive benefits from miscellaneous activities carried out in The Netherlands in respect of the Notes, including, without limitation, activities which are beyond the scope of active portfolio investment activities; and
   (vi) such Holder or a person related to the Holder by law, contract, consanguinity or affinity to the degree specified in the tax laws of the Netherlands does not have, or is not deemed to have, a substantial interest* in the share capital of the Issuer and/or any Seller.

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

4. There will be no Dutch gift, estate or inheritance tax levied on the acquisition of a Note by way of gift by, or on the death of a Holder, if the Holder at the time of the gift or the death is neither a resident nor a deemed resident of the Netherlands, unless:

   (i) at the time of the gift or death, the Notes are attributable to an enterprise or part thereof, which is carried on through a permanent establishment or a permanent representative in the Netherlands; or
   (ii) the Holder dies within 180 days of making the gift, and at the time of death is a resident or deemed resident of the Netherlands.

PURCHASE AND SALE

Deutsche Bank A.G., London Branch (the "**Senior Class A Manager** ") and SNS Bank N.V. (the "**Junior Class D Manager** " and together with the Senior Class A Manager the "**Managers**") has pursuant to a notes purchase agreement dated 18 June 2010 among the Managers, the Issuer and the Sellers (the "**Notes Purchase Agreement**"), jointly and severally agreed with the Issuer, subject to certain conditions, to purchase the New Notes at their respective issue price. The Issuer has agreed to indemnify and reimburse the Managers against certain liabilities and expenses in connection with the issue of the New Notes.

European Economic Area

In relation to each Member State of the European Economic Area[1] which has implemented the Prospectus Directive (each a "**Relevant Member State**"), each Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the '**Relevant Implementation Date**') it has not made and will not make an offer of the Notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Notes, which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of the Notes to the public in that Relevant Member State at any time: (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities; (b) to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than € 43,000,000 and (iii) an annual net turnover of more than € 50,000,000, as shown in its last annual or consolidated accounts; or (c) in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of the Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and "**Prospectus Directive**" means Directive 2002/71/EC and includes any relevant implementing measures in each Relevant Member State.

United Kingdom

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

France

Neither this document nor any other offer material relating to the Notes has been prepared in the context of a public offer in the Republic of France within the meaning of Article L. 411-1 of the French Monetary and Financial Code (“*Code monétaire et financier*”) and Articles 211-1 et seq. of the General Regulations of the Autorité des marchés financiers (“*AMF*”) and has therefore not been and will not be submitted to the clearance procedures of the AMF for prior approval or otherwise or notified to the AMF after clearance of the competent authority of a Member State of the European Economic Area.

The Notes have not been offered, sold or otherwise transferred and will not be offered, sold or

[1] The EU plus Iceland, Norway and Liechtenstein

otherwise transferred, directly or indirectly, to the public in the Republic of France. Neither this document nor any other offer material relating to the Notes has been or will be (i) released, issued, distributed or caused to be released, issued or distributed to the public in the Republic of France or (ii) used in connection with any offer for subscription or sale of the Notes in the Republic of France.

Any offers, sales or other transfers of Notes in the Republic of France may only be made in accordance with Article L. 411-2 of the French Code monétaire et financier and only (i) to investment services providers authorized to engage in portfolio management on a discretionary basis on behalf of third parties ("*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*") and/or to qualified investors ("*investisseurs qualifiés*") and/or to a restricted group of investors ("*cercle restreint d'investisseurs*"), in each case investing for their own account, all as defined in and in accordance with Articles L. 411-2, D. 411-1 to D. 411-4, D. 734-1, D. 744-1, D. 754-1 and D. 764-1 of the French Code monétaire et financier and Article 211-2-1 of the General Regulations of the AMF or (ii) in a transaction that, in accordance with Article L. 411-2-I-1° or -2° or -3° of the French Code monétaire et financier and Article 211-2 of the General Regulations of the AMF does not constitute a public offer ("*offre au public*"), and is in compliance with Articles L. 341-1 to L. 341-17 of the French Code monétaire et financier.

Pursuant to Article 211-3 of the General Regulations of the AMF, Notes may only be resold, directly or indirectly, to the public in the Republic of France in accordance with applicable laws relating to public offerings (which are in particular embodied in Article 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

No application has been or will be made by any person to obtain an authorization from *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") for the public offering (*offerta al pubblico*) of the Notes in the Republic of Italy. Accordingly, each Manager represents and agrees that it has not offered, sold or delivered, and will not offer, sell or deliver, and has not distributed and will not distribute and has not made and will not make available in the Republic of Italy any of the Notes nor any copy of this Prospectus or any other offering material relating to the Notes other than:

(a) to qualified investors (*investitori qualificati*), including individuals and small and medium size enterprises, as defined by CONSOB Regulation no. 11971 of 14 May 1999, as amended from time to time and recently supplemented by resolution n. 16850 of 1 April 2009, on the basis of the relevant criteria set out by the Prospectus Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, pursuant to art. 100, paragraph 1, lett. a) of D.Lgs. no. 58 of 24 February 1998, as amended *Borsa* (the "**Decree No. 58**"); or

(b) in any other circumstances where an express exemption from compliance with the rules relating to public offers of financial products (*offerta al pubblico di prodotti finanziari*) provided for by Decree No. 58 and the relevant implementing regulations (including CONSOB Regulation no. 11971 of 14 May 1999, as amended) applies.

Any offer, sale or delivery of the Notes or any offering material relating to the Notes in the circumstances described in the preceding paragraphs (a) and (b) shall be made:

(i) only by banks, investment firms (*imprese di investimento*) or financial companies enrolled on the special register provided for in art. 107 of Legislative Decree no. 385 of 1 September 1993, as amended (the "**Italian Banking Act**"), in each case to the extent duly authorised to engage in the placement and/or underwriting (*sottoscrizione e/o collocamento*) of financial instruments (*strumenti finanziari*) in Italy in accordance with the Italian Banking Act, the Decree No. 58 and the relevant implementing regulations;

(ii) only to qualified investors (*investitori qualificati*) as set out above; and

(iii) in accordance with all applicable Italian laws and regulations, including all relevant Italian securities and tax laws and regulations and any limitations as may be imposed from time to time by CONSOB or the Bank of Italy.

United States

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

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

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

General

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

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.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Base Prospectus and have been approved by the AFM or filed with it shall be deemed to be incorporated in, and to form part of, this Prospectus:

a. the Issuer's publicly available audited financial statements including the explanatory notes and the auditor's report for the year ended 31 December 2008 (set forth on pages 4 up to and including 27 and pages 29 and 30 of its 2008 annual report); and

b. the Issuer's publicly available audited financial statements including the explanatory notes and the auditor's report for the year ended 31 December 2009 (set forth on pages 4 up to and including 29 and pages 31 and 32 of its 2009 annual report).

These documents can be obtained without charge at the offices of the Issuer and the Paying Agent, each as set out at the end of this Prospectus.

GENERAL INFORMATION

(1.) The issue of the New Notes has been duly authorised by a resolution of the board of directors of the Issuer passed on 14 June 2010.

(2.) Application has been made to list the Senior Class A Notes and the New Junior Class D Notes on Euronext Amsterdam. The estimated total costs involved with such admission amount to euro 20,500.

(3.) The Senior Class A Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam and will bear common code 051652649, ISIN code XS0516526497 and WKN code A1AX7B.

(4.) The New Junior Class D Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam and will bear common code 051705041, ISIN code XS0517050414.

(5.) 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.

(6.) Copies of the following documents may be inspected at the specified offices of the Security Trustee during normal business hours:

- (i) the Deed of Incorporation dated 14 April 2008, including the articles of association of the Issuer;
- (ii) the Auditor's Report;
- (iii) the Mortgage Receivables Purchase Agreement;
- (iv) the Deed of Assignment;
- (v) the Notes Purchase Agreement;
- (vi) the Paying Agency Agreement;
- (vii) the Trust Deed;
- (viii) the Parallel Debt Agreement;
- (ix) the Security Trustee Receivables Pledge Agreement;
- (x) the Security Trustee Assets Pledge Agreement;
- (xi) the Administration Agreement;
- (xii) the Cash Advance Facility Agreement;
- (xiii) the Floating Rate GIC;
- (xiv) the Swap Agreement;
- (xv) the Sub-Participation Agreement;
- (xvi) the Interest Rate Reset Agreement;
- (xvii) the Beneficiary Waiver Agreement; and
- (xviii) the Master Definitions Agreement.

(7.) A copy of the Prospectus will be available, free of charge, at the registered office of the Issuer and the Security Trustee.

(8.) The audited annual financial statements of the Issuer will be made available, free of charge, from the specified office of the Issuer.

(9.) A copy of the articles of association of the Issuer dated 14 April 2008 will be available, free of charge, at the registered office of the Issuer.

(10.) A quarterly report on the performance, including the arrears and the losses, of the transaction, together with current stratification tables can be obtained at: *www.securitisation.nl* .

INDEX OF DEFINED TERMS

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3521 BJ Utrecht
The Netherlands

BLG Hypotheekbank N.V.
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6164 AZ Geleen
The Netherlands

ISSUER ADMINISTRATOR

SNS Bank N.V.
Nieuwezijds Voorburgwal 162
1012 SJ Amsterdam
The Netherlands

SECURITY TRUSTEE

Stichting Security Trustee Holland Mortgage Backed Series (Hermes) XV
Claude Debussylaan 24
1082 MD Amsterdam
The Netherlands

PAYING AGENT AND REFERENCE AGENT

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