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OFFERING CIRCULAR DATED 5 April 2012

STORM 2012-II B.V.
(incorporated with limited liability in the Netherlands)

€ 180,000,000 Senior Class A1 Mortgage-Backed Notes 2012 due 2054, issue price 100 per cent.
€ 665,000,000 Senior Class A2 Mortgage-Backed Notes 2012 due 2054, issue price 100 per cent.
€ 16,100,000 Mezzanine Class B Mortgage-Backed Notes 2012 due 2054, issue price 100 per cent.
€ 13,400,000 Mezzanine Class C Mortgage-Backed Notes 2012 due 2054, issue price 100 per cent.
€ 15,100,000 Junior Class D Mortgage-Backed Notes 2012 due 2054, issue price 100 per cent.
€ 9,000,000 Subordinated Class E Notes 2012 due 2054, issue price 100 per cent.

Obvion N.V. as Seller and Servicer

Application has been made to list the € 180,000,000 Senior Class A1 Mortgage-Backed Notes 2012 due 2054 (the "**Senior Class A1 Notes**"), the € 665,000,000 Senior Class A2 Mortgage-Backed Notes 2012 due 2054 (the "**Senior Class A2 Notes**" and together with the Senior Class A1 Notes, the "**Senior Class A Notes**"), the € 16,100,000 Mezzanine Class B Mortgage-Backed Notes 2012 due 2054 (the "**Mezzanine Class B Notes**"), the € 13,400,000 Mezzanine Class C Mortgage-Backed Notes 2012 due 2054 (the "**Mezzanine Class C Notes**"), the € 15,100,000 Junior Class D Mortgage-Backed Notes 2012 due 2054 (the "**Junior Class D Notes**") and the € 9,000,000 Subordinated Class E Notes 2012 due 2054 (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**") on NYSE Euronext in Amsterdam ("**Euronext Amsterdam**"). The Notes are expected to be issued on 11 April 2012. This offering circular (the "**Offering Circular**") has been approved by the Dutch Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) and constitutes a prospectus for the purposes of Directive 2003/71/EC, as amended by the Directive 2010/73/EC (the "**Prospectus Directive**").

The Notes will carry floating rates of interest, payable quarterly in arrear on each Quarterly Payment Date (as defined herein). The rate of interest will be equal to 3-month Euribor (as defined in the terms and conditions of the Notes, the "**Conditions**") plus a margin per annum which will be 1.05 per cent. for the Senior Class A1 Notes, 1.50 per cent. for the Senior Class A2 Notes, 2.00 per cent. for the Mezzanine Class B Notes, 3.00 per cent. for the Mezzanine Class C Notes, 4.00 per cent. for the Junior Class D Notes and 6.00 per cent. for the Subordinated Class E Notes. If on the First Optional Redemption Date (as defined below) the Notes of any Class have not been redeemed in full, the margin for the Notes (other than the Subordinated Class E Notes) will increase and the rate of interest applicable to such Notes will then be equal to three-month Euribor plus a margin which will be for the Senior Class A1 Notes 2.10 per cent. per annum, for the Senior Class A2 Notes 3.00 per cent. per annum, for the Mezzanine Class B Notes 3.00 per cent. per annum, for the Mezzanine Class C Notes 4.00 per cent. per annum, and for the Junior Class D Notes 5.00 per cent. per annum, payable quarterly in arrear on each Quarterly Payment Date. For the Subordinated Class E Notes such margin will remain at 6.00 per cent. per annum.

Payments of principal on the Notes will be made quarterly in arrear on each Quarterly Payment Date in the circumstances set out in, and subject to and in accordance with the Conditions. The Notes will mature on the Quarterly Payment Date falling in April 2054. On the Quarterly Payment Date falling in April 2017 (the "**First Optional Redemption Date**") and each Quarterly Payment Date thereafter (each an "**Optional Redemption Date**") the Issuer will have the option to redeem all of the Notes (other than the Subordinated Class E Notes), in whole but not in part, at their Principal Amount Outstanding, subject to and in accordance with the Conditions.

It is a condition precedent to issuance that, on issue, the Senior Class A1 Notes be assigned an 'Aaa (sf)' rating by Moody's Investors Service Limited ("Moody's") and an 'AAA (sf)' rating by Standard & Poor's Credit Market Services Europe Limited ("S&P"), the Senior Class A2 Notes, on issue, be assigned an 'Aaa (sf)' rating by Moody's and an 'AAA (sf)' rating by S&P, the Mezzanine Class B Notes, on issue, be assigned an Aa1 (sf)' rating by Moody's and an 'AA+ (sf)' by S&P, the Mezzanine Class C Notes, on issue, be assigned an 'Aa3 (sf)' rating by Moody's and an 'A (sf)' rating by S&P, the Junior Class D Notes, on issue, be assigned an 'A2 (sf)' rating by Moody's and a 'BBB (sf)' rating by S&P and the Subordinated Class E Notes, on issue, be assigned a 'Ba1 (sf)' rating by Moody's. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time. For a discussion of some of the risks associated with an investment in the Notes, see section *Risk Factors* herein.

The holders of the Notes (the "**Noteholders**") and the other Security Beneficiaries (as defined in *Description of Security*) will benefit from the security provided to the Security Trustee in the form of a pledge over the Mortgage Receivables and the Beneficiary Rights (both as defined herein) and a pledge over substantially all of the assets of the Issuer in the manner as more fully described herein under *Description of Security*. 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 right to payment of interest and principal on the Senior Class A Notes and may be limited as more fully described herein under *Terms and Conditions of the Notes*.

The Notes of each Class will be initially represented by a temporary global note in bearer form (each a "**Temporary Global Note**"), without coupons, which will 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 of the Notes. 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 attached (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), not earlier than 40 days after the Closing Date (as defined herein) 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 (as defined herein) in bearer form as described in the Conditions.

The Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") or the securities laws of any state of the United States and are subject to United States tax law requirements. The Notes may not be offered or sold within the United States, or to or for the account or benefit of any U.S. person, unless the offer or sale would qualify for a registration exemption from the Securities Act and applicable state securities laws (see section *Subscription and Sale* below).

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

The Notes will be solely the obligations of the Issuer. The Notes will not be obligations or responsibilities of, or guaranteed by, any other entity or person, acting in whatever capacity, including, without limitation, the Seller, the Arranger, the Managers, the Servicer, the Issuer Administrator, the Floating Rate GIC Provider, the Liquidity Facility Provider, the Swap Counterparty, the Back-Up Swap Counterparty, the Paying Agents, the Savings Mortgage Participants, the Reference Agent, the Construction Deposit Guarantor, the Commingling Guarantor, the Directors or the Security Trustee (each as defined herein), provided that following delivery of an Enforcement Notice (as defined herein) any amounts received or recovered by the Security Trustee under the Security Documents (as defined herein) will be distributed by the Security Trustee to - *inter alia* - the Noteholders subject to and in accordance with the Post-Enforcement Priority of Payments (as defined herein). Furthermore, none of the Seller, the Arranger, the Managers the Servicer, the Issuer Administrator, the Floating Rate GIC Provider, the Liquidity Facility Provider, the Swap Counterparty, the Back-Up Swap Counterparty, the Paying Agents, the Savings Mortgage Participants, the Reference Agent, the Construction Deposit Guarantor, the Commingling Guarantor, the Directors or any other entity or person, acting in whatever capacity, other than the Security Trustee in respect of limited obligations under the Trust Deed, will accept any liability whatsoever to the Noteholders in respect of any failure by the Issuer to pay any amounts due under the Notes. None of the Seller, the Arranger, the Managers, the Servicer, the Issuer Administrator, the Floating Rate GIC Provider, the Liquidity Facility Provider, the Swap Counterparty, the Back-Up Swap Counterparty, the Paying Agents, the Savings Mortgage Participants, the Reference Agent, the Construction Deposit Guarantor, the Commingling Guarantor, the Security Trustee or the Directors will be under any obligation whatsoever to provide additional funds to the Issuer (save in the limited circumstances described herein).

Article 122a of the Capital Requirements Directive
The Seller has undertaken to retain a material net economic interest of not less than 5% in the securitisation in accordance with Article 122a ("**Article 122a**") of the Directive 2006/48/EC (as amended by Directive 2009/111/EC) (the "**Capital Requirements Directive**"). As at the Closing Date, such interest will in accordance with Article 122a paragraph (1) sub-paragraph d) be comprised of an interest in the first loss tranche and, if necessary, other tranches having the same or a more severe risk profile than those sold to investors. The Seller has provided a corresponding undertaking with respect to the interest to be retained by it during the period in which the Notes are outstanding to the Managers and to the Issuer in the Subscription Agreement.

In addition to the information set out herein and forming part of this Offering Circular, the Seller has undertaken to make available materially relevant data with a view to complying with Article 122a paragraph (7) of the Capital Requirements Directive, which can be obtained from the Seller upon request.

After the Closing Date, the Issuer will prepare quarterly investor reports wherein relevant information with regard to the Mortgage Loans and Mortgage Receivables will be disclosed publicly together with a confirmation of the retention of the material net economic interest by the Seller.

Each prospective investor is required independently to assess and determine the sufficiency of the information described above for the purposes of complying with Article 122a of the Capital Requirements Directive and none of the Issuer, the Seller (in its capacity as the Seller and the Servicer), the Issuer Administrator nor the Managers makes any representation that the information described above or in this Offering Circular is sufficient in all circumstances for such purposes. In addition, each prospective Noteholder should ensure that they comply with the implementing provisions in respect of Article 122a in their relevant jurisdiction. Investors who are uncertain as to the requirements which apply to them in respect of their relevant jurisdiction, should seek guidance from their regulator.

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

Arranger
Rabobank International

Managers
Rabobank International **Citibank International Plc**

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SUMMARY

The following is a summary of the principal features of the transaction described in this Offering Circular including the issue of the Notes. The information in this section does not purport to be complete. This summary should be read as an introduction to this Offering Circular and any decision to invest in the Notes should be based on a consideration of the Offering Circular as a whole, including any supplement thereto and the documents incorporated by reference. Where a claim relating to the information contained in this Offering Circular is brought before a court, the plaintiff investor might, under the national legislation of the Member State, have to bear the costs of translating this Offering Circular before the legal proceedings are initiated. Civil liability attaches to the Issuer, being the entity which has prepared the summary, and applied for its notification, only if the summary is misleading, inaccurate or inconsistent when read with other parts of the Offering Circular.

Capitalised terms used, but not defined, in this section can be found elsewhere in this Offering Circular via the Index of Terms unless otherwise stated.

Risk Factors

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

Transaction

On the Closing Date, the Issuer will (i) issue the Notes and (ii) apply the net proceeds of the Notes (other than the Subordinated Class E Notes) towards payment, in part, of the Initial Purchase Price for the Mortgage Receivables, consisting of any and all rights and claims of the Seller against certain Borrowers under or in connection with certain selected mortgage loans secured by a first-ranking right of mortgage (*hypotheekrecht*) or first and sequentially lower ranking rights of mortgage and the Beneficiary Rights relating thereto. The proceeds of the issue of the Subordinated Class E Notes will be used to fund the Reserve Account.

The NHG Mortgage Loan Parts have the benefit of a NHG Guarantee which covers the outstanding principal, accrued unpaid interest and disposal costs of the relevant NHG Mortgage Loan Part. Irrespective of scheduled repayments or prepayments made on such NHG Mortgage Loan Part, the NHG Guarantee reduces on a monthly basis by an amount which is equal to the amount of the principal portion of the monthly instalment calculated as if the mortgage loan were being repaid on a 30 year annuity basis. Pursuant to the NHG Conditions, *Stichting Waarborgfonds Eigen Woningen* has no

obligation to pay any loss (in whole or in part) incurred by the Seller in its capacity as lender after a private or a forced sale of the relevant Mortgaged Asset if the Seller has not complied with the NHG Conditions. At the Closing Date the Seller will represent and warrant, *inter alia*, that all NHG Conditions applicable at the time of origination of the NHG Mortgage Loan Part were complied with.

The Issuer will use receipts of principal and interest in respect of the Mortgage Receivables together with amounts it receives under the Floating Rate GIC, Sub-Participation Agreements and Swap Agreement as well as amounts it is entitled to draw under the Liquidity Facility Agreement to make payments of, *inter alia*, principal and interest due in respect of the Notes. It is of note that the obligations of the Issuer in respect of the Notes will rank behind the obligations of the Issuer in respect of certain items set forth in the applicable priority of payments and that the right to payment of principal and interest 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 right to payment of principal and interest on the Senior Class A Notes and may be limited as more fully described herein under section *Terms and Conditions of the Notes*.

Pursuant to the Liquidity Facility Agreement the Issuer will be entitled to make drawings if there are, following application of the amounts standing to the credit of the Reserve Account, insufficient funds available to the Issuer as a result of a shortfall in the Notes Interest Available Amounts (see under section *Credit Structure* below).

Pursuant to the Floating Rate GIC the Floating Rate GIC Provider will agree to pay a guaranteed rate of interest on the balance standing from time to time to the credit of the GIC Accounts (see under section *Credit Structure* below).

Pursuant to the Servicing Agreement the Servicer will agree to provide administration and management services to the Issuer on a day-to-day basis in relation to the Portfolio Mortgage Loans and the Mortgage Receivables, including, without limitation, the collection of payments of principal, interest and other amounts in respect of the Mortgage Receivables, all administrative actions in relation thereto and the implementation of arrears procedures including the enforcement of Mortgage Rights (see under sections *Mortgage Loan Underwriting and Servicing* and *Servicing Agreement and Issuer Administration Agreement* below).

Pursuant to the Issuer Administration Agreement the Issuer Administrator will agree to provide certain administration, calculation and cash management services to the Issuer in accordance with the relevant Transaction Documents, including, *inter alia*, (a) the application of amounts received by the Issuer to the GIC Accounts and the production of quarterly reports in relation thereto, (b) procuring that all drawings (if any) to be made by the Issuer from the Reserve Account are made, (c) procuring that all payments to be made by the Issuer under the Swap Agreement are made, (d) procuring that all payments to be made by the Issuer in connection with the Notes are made in accordance with the Paying Agency Agreement and the Conditions, (e) the maintaining of all required ledgers in connection

with the above, (f) all administrative actions in relation thereto and (g) procuring that all calculations to be made pursuant to the Conditions under the Notes are made (see under section *Servicing Agreement and Issuer Administration Agreement* 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 under section *Credit Structure* below).

The Issuer

STORM 2012-II B.V. is incorporated under the laws of the Netherlands as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands and registered with the Trade Register under number 54962242. The entire issued share capital of the Issuer is held by Stichting Holding STORM 2012-II. The Issuer is established to issue the Notes, to acquire the Mortgage Receivables and to enter into certain transactions described in the Offering Circular.

Security Structure

The Noteholders will benefit from the security granted in favour of the Security Trustee. The Notes will be secured indirectly, through the Security Trustee, by (i) a first ranking pledge granted by the Issuer to the Security Trustee over the Mortgage Receivables (including any parts thereof which are placed on Construction Deposits), including all rights ancillary thereto in respect of the Portfolio Mortgage Loans and the Beneficiary Rights and (ii) a first ranking pledge granted by the Issuer to the Security Trustee over the Issuer's rights under or in connection with the Mortgage Receivables Purchase Agreement, the Swap Agreement, the Conditional Deed of Novation, the Servicing Agreement, the Floating Rate GIC, the Liquidity Facility Agreement, the Sub-Participation Agreements, the Beneficiary Waiver Agreement, the Commingling Guarantee, the Construction Deposits Guarantee and in respect of the GIC Accounts.

In order to ensure the valid creation of the security rights under Dutch law in favour of the Security Trustee, the Issuer has undertaken in the Trust Deed 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 Security Beneficiaries pursuant to the relevant Transaction Documents.

The Trust Deed sets out the priority of the claims of the Security Beneficiaries. See for a more detailed description section *Description of Security* below.

Redemption of the Notes

Unless previously redeemed, the Issuer will, subject to Condition 9(b), redeem any remaining Notes outstanding at their respective Principal Amount Outstanding, together with accrued interest, on the Quarterly Payment Date falling in April 2054.

Provided that no Enforcement Notice has been served in accordance with Condition 10, the Issuer shall on each Quarterly Payment Date apply the Notes Principal Available Amounts, subject to and in accordance with the Conditions and the Principal Priority of Payments, towards redemption, at their Principal Amount Outstanding, of the Notes (other than the Subordinated Class E Notes), provided that up to and including the Quarterly Payment Date immediately preceding the First Optional Redemption Date, such amount will, subject to certain conditions being met, first be applied towards payment of the purchase price for the Further Advance Receivables and/or Replacement Receivables to the extent offered by the Seller.

Subject to and in accordance with the Conditions, the Issuer has, provided that no Enforcement Notice has been served in accordance with Condition 10, the option to redeem all of the Notes (other than the Subordinated Class E Notes), in whole but not in part, on any Optional Redemption Date. In addition, the Issuer has the option to redeem the Notes in the event of certain tax changes affecting the payments made under the Notes or the deductibility of interest on any of the Notes at any time. Finally, the Notes (other than the Subordinated Class E Notes) shall be redeemed by the Issuer in whole but not in part, following the exercise by the Seller of the Seller Clean-up Call Option.

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

Factors which are material for the purpose of assessing the market risks associated with the Notes are also described below.

The Issuer believes that the factors described below represent the material risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Additional risks or uncertainties not presently known to the Issuer or that the Issuer currently considers not material may also have an adverse effect on the Issuer's ability to pay interest, principal or other amounts on or in connection with the Notes. Prospective investors should read the information contained herein in conjunction with the detailed information set out elsewhere in this Offering Circular and should reach their own views prior to making any investment decision. Before making an investment decision with respect to any Notes, prospective investors should consult their own stockbroker, bank manager, lawyer, accountant or other financial, legal and tax advisers and carefully review the risks entailed by an investment in the Notes and consider such an investment decision in the light of the prospective investor's personal circumstances.

Capitalised terms used, but not defined, in this section can be found elsewhere in this Offering Circular, via the Index of Terms, unless otherwise stated.

Liabilities under the Notes and limited recourse

The Notes will be solely the obligations of the Issuer. The Notes will not be obligations or responsibilities of, or guaranteed by, any other entity or person, acting in whatever capacity, including, without limitation, the Seller, the Servicer, the Issuer Administrator, the Arranger, the Managers, the Savings Mortgage Participants, the Floating Rate GIC Provider, the Liquidity Facility Provider, the Swap Counterparty, the Back-Up Swap Counterparty, the Paying Agents, the Reference Agent, the Construction Deposit Guarantor, the Commingling Guarantor, the Directors or the Security Trustee, provided that following delivery of an Enforcement Notice any amounts received or recovered by the Security Trustee under the Security Documents will be distributed by the Security Trustee to, *inter alia*, the Noteholders subject to and in accordance with the Post-Enforcement Priority of Payments. Furthermore, none of the Seller, the Servicer, the Issuer Administrator, the Arranger, the Managers, the Savings Mortgage Participants, the Floating Rate GIC Provider, the Liquidity Facility Provider, the Swap Counterparty, the Back-Up Swap Counterparty, the Paying Agents, the Reference Agent, the Construction Deposit Guarantor, the Commingling Guarantor or the Directors or any other person, acting in whatever capacity, other than the Security Trustee in respect of limited obligations under the

Trust Deed, will accept any liability whatsoever to Noteholders in respect of any failure by the Issuer to pay any amounts due under the Notes.

The ability of the Issuer to meet its obligations to repay in full all principal of and to pay all interest on the Notes will be dependent on the receipt by it of funds under the Mortgage Receivables, the proceeds of the sale of any Mortgage Receivables, payments under the Swap Agreement and the Sub-Participation Agreements, interest in respect of the balances standing to the credit of the GIC Accounts and the availability of the Reserve Account and the amounts to be drawn under the Liquidity Facility. See further under section *Credit Structure* below. The Issuer does not have other resources available. There can be no assurance that the Issuer will have sufficient funds to fulfil its payment obligations under the Notes.

In particular, the Issuer is subject to the risk of default in payment by the Borrowers and the failure by the Servicer to realise or recover sufficient funds under the arrears and default procedures in respect of the relevant Mortgage Receivables in order to discharge all amounts due and owing by the relevant Borrowers under the relevant Mortgage Receivables. This risk may affect the Issuer's ability to make payments on the Notes, but is mitigated to some extent by certain credit enhancement features which are described in the section Credit Structure. There is no assurance that these measures will protect the holders of any Class against all risks of losses.

The obligations of the Issuer under the Notes are limited recourse obligations. Payment of principal and interest on the Notes will be secured indirectly by the security granted by the Issuer to the Security Trustee pursuant to the Security Documents. If the security granted pursuant to the Security Documents is enforced and the proceeds of such enforcement, after payment of all other claims ranking in priority to amounts due under the Notes, are insufficient to repay in full all principal and to pay all interest and other amounts due in respect of the Notes, then, as the Issuer has no other assets, it may be unable to satisfy claims in respect of any such unpaid amounts. As enforcement of the security by the Security Trustee pursuant to the terms of the Trust Deed, the Pledge Agreements and the Notes is the only remedy available to Noteholders for the purpose of recovering amounts owed in respect of the Notes, the Noteholders shall following the application of the foreclosure proceeds subject to and in accordance with the Post-Enforcement Priority of Payments have no further claim against the Issuer or the Security Trustee in respect of any such unpaid amounts.

Risks inherent to the Notes

By acquiring the Notes, the Noteholders shall be deemed to have knowledge of, accept and be bound by the Conditions. Neither the Issuer nor the Paying Agents will have any responsibility for the proper performance by the Clearing Institutions or their participants of their obligations under their respective rules, operating procedures and calculation methods.

(i) Credit Risk

There is a risk of non-payment of principal and interest on the Notes due to non-payment of

principal and interest on the Mortgage Receivables, despite the following:

- in respect of the NHG Mortgage Loan Parts only, the fact that the NHG Mortgage Loan Parts have the benefit of a NHG Guarantee;
- in case of the Senior Class A Notes, the subordinated ranking of the Mezzanine Class B Notes, the Mezzanine Class C Notes and the Junior Class D Notes;
- in case of the Senior Class A Notes and the Mezzanine Class B Notes, the subordinated ranking of the Mezzanine Class C Notes and the Junior Class D Notes;
- in case of the Senior Class A Notes, the Mezzanine Class B Notes and the Mezzanine Class C Notes, the subordinated ranking of the Junior Class D Notes;
- the Reserve Account; and
- the Excess Spread Margin.

The proceeds of the Subordinated Class E Notes will be credited to the Reserve Account. Principal on the Subordinated Class E Notes will be paid out of the Excess Spread Margin in accordance with the Interest Priority of Payments.

(ii) Liquidity Risk

There is a risk that payments to be made by Borrowers on the Portfolio Mortgage Loans are not received on time thus causing temporary liquidity problems to the Issuer despite (i) the Excess Spread Margin, (ii) the Reserve Account (to the extent available for such purpose) and (iii) in certain circumstances, the Liquidity Facility provided by the Liquidity Facility Provider. There can be no assurance that this mitigation will protect the Noteholders in full against this risk.

(iii) Prepayment Risk

There is a risk that the level of prepayments by the Borrowers can vary and therefore result in an average life of the Notes which is shorter or longer than anticipated. The average life of the Notes is subject to some factors outside the control of the Issuer and consequently no assurance can be given that any estimates and assumptions will prove in any way to be realistic.

(iv) Maturity Risk and risk that the Issuer will not exercise its option to redeem the Notes (other than the Subordinated Class E Notes) on any Optional Redemption Date

There is a risk that the Issuer will not have received sufficient principal to fully redeem the Notes at maturity. The Final Maturity Date for the Notes is the Quarterly Payment Date falling in April 2054. The Issuer has on any Optional Redemption Date the option to sell and assign all (but not only part of) the Mortgage Receivables to any party. The Issuer shall be required to apply the proceeds of such sale, to the extent relating to principal, to redeem the Notes (other than the Subordinated Class E Notes) in accordance with the Conditions. If the Issuer does not exercise this option on the First Optional Redemption Date, the interest rate for the Notes will be a floating rate based on 3-month Euribor plus the margin set out under *Interest Step-up* in the section *Key Parties and Summary of Principal Features* below. No guarantee can be given that

the Issuer will exercise its option or that there will be a third party purchaser and therefore that the Notes will be redeemed on the First Optional Redemption Date or any Quarterly Payment Date thereafter.

(v) Interest Rate Risk

There is a risk that, due to interest rate movements, the interest received on the Mortgage Receivables and the GIC Accounts is not sufficient to pay the floating interest on the Notes.

(vi) Structural/Legal Risk

As to the structural/legal risks relating to the Notes reference is made to, *inter alia*, *Transfer of Legal Title to Mortgage Receivables*, *Set-off by Borrowers may affect the proceeds under the Mortgage Receivables*, *Risks related to Mortgage Rights*, *Risks related to Insurance Policies* and *Reduced Value of Investments and incomplete or misleading material* below.

Credit rating may not reflect all risks

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time. The ratings to be assigned to the Notes by the Rating Agencies are based on the value and cash flow-generating ability of the Mortgage Receivables and other relevant structural features of the transaction, including, *inter alia*, the short-term and long-term unsecured and unsubordinated debt rating of the other parties involved in the transaction, such as the providers and guarantors of ancillary facilities (i.e. Floating Rate GIC Provider, Back-Up Swap Counterparty and Liquidity Facility Provider) and reflect only the view of each of the Rating Agencies.

There is no assurance that any such rating will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by any of the Rating Agencies as a result of changes in or unavailability of information or if, in any of the Rating Agencies' judgement, circumstances so warrant. Any rating agency other than the Rating Agencies could seek to rate the Notes and if such unsolicited ratings are lower than the comparable ratings assigned to the Notes by the Rating Agencies, such unsolicited ratings could have an adverse effect on the value of the Notes. For the avoidance of doubt, any references to "ratings" or "rating" in this Offering Circular are to ratings assigned by the Rating Agencies only. Future events, including, but not limited to, events affecting the Back-Up Swap Counterparty and/or circumstances relating to the Mortgage Receivables and/or the Dutch residential mortgage market, in general could have an adverse effect on the ratings of the Notes as well. Any revision, suspension or withdrawal of the ratings of the Notes may have an adverse effect on the market value of the Notes and the ability of the Noteholders to sell or acquire credit protection on their Notes readily.

The ratings assigned to the Notes may be revised, suspended or withdrawn at any time despite Rating Agency Confirmation

In addition, the Transaction Documents may provide that upon the occurrence of a certain event or matter, the Security Trustee needs to obtain a Rating Agency Confirmation before it is allowed to take

any action or consent to an amendment of the relevant Transaction Documents as a result of the occurrence of such event or matter. An exception applies only if (x) each Rating Agency has not indicated by the 15th day after it was notified of the relevant event or matter (a) which conditions are to be met before it is in a position to grant a Rating Agency Confirmation or (b) that the then current ratings assigned by it to the Notes will be adversely affected by or withdrawn as a result of the relevant event or matter or (y) in the case of an amendment or alteration of a Transaction Document only, such amendment or alteration is of a formal, minor or technical nature or is made to correct a manifest error and is notified to the Rating Agencies.

The Noteholders should be aware that a Rating Agency is not obliged to provide a written statement and that whether or not a Rating Agency Confirmation has been obtained by the Security Trustee, this does not include a confirmation by a Rating Agency of the then current ratings assigned to the Notes (even if such Rating Agency Confirmation includes a statement in writing from a Rating Agency that the then current rating assigned to the Notes will not be adversely affected by or withdrawn as a result of the relevant event or matter), nor does it mean that the Notes may not be downgraded or such ratings may not be withdrawn by a Rating Agency, either as a result of the occurrence of the event or matter in respect of which the Rating Agencies have been notified or such Rating Agency Confirmation has been obtained or for any other reason.

Listing of the Notes

Application has been made for the Notes to be listed on Euronext Amsterdam on the Closing Date. However, there is no assurance that the Notes will be admitted to listing on Euronext Amsterdam. If the Senior Class A Notes will not be admitted to listing, they will not be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem.

Foreign Account Tax Compliance Act

The Issuer may be subject to U.S. withholding tax if it fails to enter into an agreement with the IRS to report certain information about the holders of the Notes, or a holder of the Notes may become subject to U.S. withholding if it fails to provide requested information to the Issuer. The Hiring Incentives to Restore Employment Act, which was enacted in early 2010 and contains provisions ("**FATCA**") from the former Foreign Account Tax Compliance Act of 2009, imposes a 30 per cent. withholding tax on certain payments to certain non-US financial institutions (including entities such as the Issuer) who do not enter into and comply with an agreement with the IRS to provide certain information on the holders of its debt or equity (other than debt or equity interests that are regularly traded on an established securities market). If the Issuer will be subject to U.S. withholding tax, it may have less cash available to make interest and principal payments on the Notes.

The relevant rules have not yet been fully developed and the future application of FATCA to the Issuer and the holders of Notes is uncertain. The Issuer may enter into such an agreement with the IRS, and as a result of such agreement, holders may be required to provide certain information or be subject to withholding on certain payments made to them. If a holder does not provide the necessary information

and is subject to withholding there will be no "gross up" (or any other additional amount) payable by way of compensation to the holder for the deducted amount. See "Taxation - FATCA Withholding" for a further discussion of FATCA, including a discussion of the timing of any withholding.

FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUER IS UNCERTAIN AT THIS TIME. EACH HOLDER OF NOTES SHOULD CONSULT ITS OWN TAX ADVISOR TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW THIS LEGISLATION MIGHT AFFECT EACH HOLDER IN ITS PARTICULAR CIRCUMSTANCE.

The market value of the Notes may be adversely affected by a lack of liquidity in the secondary market

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

The secondary mortgage markets are currently experiencing disruptions resulting from reduced investor demand for mortgage loans and mortgage-backed securities and increased investor yield requirements for those loans and securities. As a result, the secondary market for mortgage-backed securities is experiencing limited liquidity. These conditions may improve, continue or worsen in the future. Limited liquidity in the secondary market for mortgage-backed securities has had and may continue to have an adverse effect on the market value of mortgage-backed securities, especially those securities that are more sensitive to credit or interest rate risk and those securities that have been structured to meet the investment requirements of limited categories of investors. Consequently, investors may not be able to sell or acquire credit protection on their Notes readily. The market values of the Notes are likely to fluctuate and may be difficult to determine. Any of these fluctuations may be significant and could result in significant losses to investors. 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 the Notes and/or the price an investor receives for the Notes in the secondary market.

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

In the Netherlands, subject to a number of conditions, mortgage loan interest payments are partly or wholly deductible from the income of the Borrowers for income tax purposes. The period allowed for deductibility is restricted to a term of 30 years and it only applies to mortgage loans in relation to owner occupied properties. It is, however, uncertain if and to what extent such deductibility will remain in force and for how long (particularly as it is increasingly the subject of political debate in the Netherlands). It is not allowed, after a refinancing, to deduct interest on any equity extractions. Should there be a change to the right to deduct mortgage loans interest payment, this may among other things have an effect on

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

Loan to Foreclosure Value Ratio

The Portfolio Mortgage Loans have a loan to foreclosure value ratio ("**LTFV**") of up to and including 125 per cent. The appraisal foreclosure value (*executiewaarde*) of the property on which a mortgage right is vested is normally lower than the market value (*vrije verkoopwaarde*) of the relevant mortgaged property. There can be no assurance that, on enforcement, all amounts owed by a Borrower under a Portfolio Mortgage Loan can be recovered from the proceeds of the foreclosure on the relevant Mortgaged Asset or that the proceeds upon foreclosure will be at least equal to the estimated foreclosure value of such Mortgaged Asset (see section *Description of Portfolio Mortgage Loans*). The higher the LTFV is, the higher the possibility that this risk will materialize. Materialization of this risk may lead to losses under the Notes.

Risks related to the NHG Guarantee

The NHG Mortgage Loan Parts will have the benefit of a '*Nationale Hypotheek Garantie*' ("**NHG Guarantee**"). Pursuant to the NHG Conditions, '*Stichting Waarborgfonds Eigen Woningen*' ("**WEW**") has no obligation to pay any loss (in whole or in part) incurred by a lender after a private or a forced sale of the mortgaged property if such lender has not complied with the NHG Conditions. The Seller will on the Closing Date, with respect to each NHG Mortgage Loan Part represent and warrant, *inter alia*, that (i) to the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) each NHG Guarantee connected to a NHG Mortgage Loan Part constitutes legal, valid and binding obligations of the WEW, enforceable in accordance with its terms, (ii) all NHG Conditions applicable to the NHG Guarantee at the time of origination of the NHG Mortgage Loan Part forming part of the Portfolio Mortgage Loans were complied with and (iii) the Seller is not aware of any reason why any claim made in accordance with the requirements pertaining thereto under any NHG Guarantee should not be met in full and in a timely manner.

Furthermore, the NHG Conditions stipulate that a NHG Guarantee of the WEW will terminate upon expiry of a period of 30 years after the establishment of such NHG Guarantee.

Finally, the NHG Conditions stipulate that the amount guaranteed by the WEW under a NHG Guarantee (irrespective of the type of redemption of the mortgage loan) is reduced on a monthly basis by an amount which is equal to the amount of the principal portion of the monthly instalment calculated as if the mortgage loan were to be repaid on a 30 year annuity basis. The actual redemption structure of a Portfolio Mortgage Loan can be different (see section *Description of the Portfolio Mortgage Loans*). This may result in the Issuer not being able to fully recover any loss incurred with the WEW under a NHG Guarantee and may consequently lead to the Issuer not having sufficient funds to fully repay the Notes.

Considerations relating to the Parallel Debt

The Noteholders and the other Security Beneficiaries will benefit from the security granted in favour of the Security Trustee pursuant to the Security Documents. Under the terms of the Trust Deed, the Issuer will undertake to pay to the Security Trustee, on the same terms and conditions, an amount equal to the aggregate of all amounts from time to time due and payable by the Issuer to the Security Beneficiaries (including, but not limited to, the Noteholders) in accordance with the terms and conditions of the relevant Transaction Documents (as defined in the Conditions) (such payment undertaking and the obligations and liabilities resulting from it being referred to as the "**Parallel Debt**"). The Parallel Debt represents an independent claim of the Security Trustee to receive payment thereof from the Issuer, provided that (i) the aggregate amount that may become due under the Parallel Debt will never exceed the aggregate amount that may become due under all of the Issuer's obligations to the Security Beneficiaries, including the Noteholders, pursuant to the Transaction Documents and (ii) every payment in respect of such Transaction Documents for the account of or made to the Security Beneficiaries directly in respect of such undertaking shall operate in satisfaction pro tanto of the corresponding covenant in favour of the Security Trustee. The Parallel Debt is secured by the Pledge Agreements. Upon the occurrence of an event of default under the Notes, the Security Trustee may give notice to the Issuer that the amounts outstanding under the Notes (and under the Parallel Debt) are immediately due and payable and that it will enforce the Pledge Agreements. The Security Trustee will apply the amounts recovered upon enforcement of the Pledge Agreements in accordance with the provisions of the Trust Deed. The amounts payable to the Noteholders and other Security Beneficiaries under the Trust Deed will be limited to the amounts available for such purpose to the Security Trustee. Payments under the Trust Deed to the Security Beneficiaries (other than to the Savings Mortgage Participants) and to the Security Trustee will be made in accordance with the Post-Enforcement Priority of Payments as set forth in the Trust Deed.

It is generally assumed that under Dutch law a right of pledge cannot be validly created in favour of a person who is not the creditor of the claim that the right of pledge purports to secure. The Parallel Debt is included in the Trust Deed to address this issue. It is noted that there is no statutory law or case law available on the validity or enforceability of a parallel covenant such as the Parallel Debt or the security provided for such debts. However, the Issuer has been advised that there are no reasons why a parallel covenant such as the Parallel Debt will not create a claim of the pledgee (the Security Trustee) thereunder which can be validly secured by a right of pledge such as the rights of pledge created pursuant to the Pledge Agreements.

Transfer of Legal Title to Mortgage Receivables

Under Dutch law a transfer of title by way of assignment of a receivable can be effected either by means of (i) a deed of assignment executed between the assignee and the assignor and a notification of the assignment to the relevant debtor (the so-called *openbare cessie*) or (ii) a notarial deed or a registered deed of assignment, without notification, until an Assignment Notification Event, of the assignment to the relevant debtor being required (the so-called *stille cessie*). In the latter case notification to the debtor, however, will still be required to prevent such debtor from validly discharging

its obligations (*bevrijdend betalen*) under the receivable by making a payment to the relevant assignor. The legal ownership of the Mortgage Receivables will be transferred by the Seller to the Issuer on the relevant date of purchase and assignment through a registered deed of assignment. The Mortgage Receivables Purchase Agreement provides that such transfer of legal title to the Mortgage Receivables by the Seller to the Issuer will not be notified to the Borrowers unless certain events (referred to as Assignment Notification Events) occur. For a description of these notification events reference is made to section *Mortgage Receivables Purchase Agreement* below.

Until notification of the transfer of legal title has been made to the Borrowers, the Borrowers can only validly discharge their obligations (*bevrijdend betalen*) under the relevant Portfolio Mortgage Loan by making a payment to the Seller. The Seller has undertaken in the Mortgage Receivables Purchase Agreement to pay (or procure that the Servicer shall pay on its behalf) on the 10th Business Day of each calendar month all amounts received by it in respect of the Portfolio Mortgage Loans with respect to the immediately preceding Portfolio Calculation Period. However, receipt of such amounts by the Issuer is subject to the Seller actually making such payments. There is a risk that the Seller is not able to make such payment which would affect the ability of the Issuer to perform its payment obligations under the Notes.

Payments made by the Borrowers to the Seller prior to notification but after bankruptcy or suspension of payments in respect of the Seller having been declared, will be part of the Seller's bankruptcy estate. However, the Issuer has the right to receive such amounts by preference after deduction of the general bankruptcy costs (*algemene faillissementskosten*). There is thus a risk that in such case the Issuer will not receive the proceeds under the Mortgage Receivables on time and in full, which could affect its ability to meet its obligations under the Notes.

Construction Deposits

Pursuant to the Mortgage Conditions, in respect of certain Portfolio Mortgage Loans, the Borrower has the right to request that part of the Portfolio Mortgage Loan will be applied towards construction of, or improvements to, the Mortgaged Asset. In that case the Borrower has placed part of the monies drawn down under the Portfolio Mortgage Loan on deposit with the Seller, and the Seller has committed to pay out such deposits to or on behalf of the Borrower in order to enable the Borrower to pay for such construction of, or improvements to, the relevant Mortgaged Asset, provided certain conditions are met (such mortgages are called construction mortgages (*bouwhypotheken*)). Pursuant to the NHG Conditions, a Construction Deposit in respect of a NHG Mortgage Loan Part has to be paid out after the building activities or renovation activities have been finalised. If the remaining Construction Deposit exceeds € 2,500, such Construction Deposit will be set-off against the Mortgage Receivable up to the amount of the Construction Deposit, in which case the Seller will pay the amount of the relevant Construction Deposit to the Issuer to form part of the Notes Principal Available Amounts on the next succeeding Quarterly Payment Date. Pursuant to the NHG Conditions, if the remaining Construction Deposit is less than € 2,500, the Seller has the right to pay out the remaining amount to the relevant Borrower.

Under the Mortgage Receivables Purchase Agreement, the Seller will sell to the Issuer the full amount of the Mortgage Receivables, which therefore includes the amounts represented by the Construction Deposits. A Borrower will be entitled to set-off the amounts represented by the relevant Construction Deposits against the amounts due by it to the Seller under the relevant Portfolio Mortgage Loan (see further *Set-off by Borrowers may affect the proceeds under the Mortgage Receivables* below).

Upon the occurrence of an Assignment Notification Event (as defined in section *Mortgage Receivables Purchase Agreement* below), the Servicer will notify the Issuer of the outstanding Construction Deposits (if any) and provide to the Issuer details of the Borrowers to which such Construction Deposits relate. Furthermore, if following the occurrence of an Assignment Notification Event, a Borrower invokes a right of set-off of the amount due under the Portfolio Mortgage Loan with the outstanding amount payable to it under or in connection with the Construction Deposit, the Issuer shall be entitled to invoke the construction deposits guarantee (the "**Construction Deposits Guarantee**") in which case the Construction Deposits Guarantor shall promptly pay to the Issuer an amount equal to the outstanding payment obligations of the Seller to a Borrower with respect to the relevant Construction Deposit (if any) in relation to which such Borrower has claimed a right of set-off. Receipt of such amount by the Issuer under the Construction Deposit Guarantee is subject to the ability of the Construction Deposit Guarantor to actually make such payments. This may result in the Issuer not having sufficient funds to meet its payment obligations under the Notes.

Furthermore, under Dutch law the distinction between 'existing' receivables and 'future' receivables is relevant in connection with Construction Deposits. If receivables are to be regarded as future receivables, an assignment and/or pledge thereof will not be effective to the extent the receivable comes into existence after or on the date on which the assignor or, as the case may be, the pledgor has been declared bankrupt or has had a suspension of payments granted to it. If, however, receivables are to be considered as existing receivables, the assignment and pledge thereof are not affected by the bankruptcy or suspension of payments of the assignor/pledgor.

Whether such part of a Mortgage Receivable relating to a Construction Deposit should be considered as an existing or future receivable is difficult to establish on the basis of the applicable terms and conditions of the relevant Portfolio Mortgage Loans and has not been addressed conclusively in case law or legal literature. If the full Mortgage Receivable is considered to be drawn down under the Portfolio Mortgage Loan when the Construction Deposit is created, the part of the Mortgage Receivable relating to the Construction Deposit will be deemed to be existing as from the creation of the Construction Deposit. However, it is also conceivable that such part of the Portfolio Mortgage Loan concerned is considered drawn down only when and to the extent the Construction Deposit is paid out to or on behalf of the Borrower in which case such part of the Mortgage Receivable is deemed to be a future receivable until the Construction Deposit is paid out.

If the part of the Mortgage Receivable relating to the Construction Deposit is to be regarded as a future

receivable, the assignment and/or pledge of such part will not be effective if the Construction Deposit is paid out on or after the date on which the Seller is declared bankrupt or granted a suspension of payments. In that case, the part of the Mortgage Receivable that is not subject to the assignment or pledge will no longer be available to the Issuer.

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

The Issuer is exposed to the risk of receiving reduced amounts due to set-off rights of the Borrowers. Under Dutch law a debtor has a right of set-off if it has a claim which corresponds to its debt to the same counterparty and it is entitled to pay its debt as well as to enforce payment of its claim. Subject to these requirements being met, each Borrower will, prior to notification of the assignment of the Mortgage Receivable to the Issuer having been made, be entitled to set-off amounts due by the Seller to it (if any) with amounts it owes in respect of the Mortgage Receivable. As a result of the set-off of amounts due by the Seller to the Borrower with amounts the Borrower owes in respect of the Mortgage Receivable, the Mortgage Receivable will, partially or fully, be extinguished (*gaat teniet*) without the Issuer actually having received a cash payment in respect thereof which it could use towards satisfaction of its obligations under, *inter alia*, the Notes. Set-off by Borrowers could thus lead to losses under the Notes. The legal requirements for set-off are met in respect of the Construction Deposits.

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 been originated and become due prior to the assignment of the Mortgage Receivable and notification thereof to the relevant Borrower. The question whether a court will come to the conclusion that the Mortgage Receivable and the claim of the Borrower against the Seller result from the same legal relationship will depend on all relevant facts and circumstances involved. But even if these would be held to be different legal relationships, set-off will be possible if the counterclaim of the Borrower has originated (*opgekomen*) and become due (*opeisbaar*) prior to notification of the assignment, and, further, provided that all other requirements for set-off have been met (see above). The Construction Deposits result from the same legal relationship as the relevant Mortgage Receivables and, therefore, the legal requirements for the relevant Borrower being able to invoke set-off rights against the Issuer in respect of such Construction Deposits will be met.

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

The Mortgage Receivables Purchase Agreement provides that if a Borrower sets off amounts due to it by the Seller against the relevant Mortgage Receivable and, as a consequence thereof, the Issuer does not receive the amount which it would otherwise have been entitled to receive in respect of such Mortgage Receivable, the Seller will pay to the Issuer an amount equal to the difference between (i) the amount which the Issuer would have received in respect of the relevant Mortgage Receivable if no set-off had taken place and (ii) the amount actually received by the Issuer in respect of such Mortgage Receivable. Receipt of such amount by the Issuer from the Seller is subject to the ability of the Seller to actually make such payments. There is a risk that the Seller is not able to make such payment which would affect the ability of the Issuer to perform its payment obligations under the Notes.

Provided certain conditions are met under the relevant Portfolio Mortgage Loans, the Borrower has the right to require the Seller to pay out the Construction Deposit to or on behalf of such Borrower. Under Dutch law a creditor is entitled to dissolve (*ontbinden*) an agreement and/or demand payment of damages if its debtor defaults in the performance of its obligations under such agreement. A possible bankruptcy involving the Seller in itself would not be grounds for the Borrower to dissolve the agreements under which the Portfolio Mortgage Loans arise unless the parties have agreed otherwise. Should the Seller in that case make the Construction Deposits available to the Borrower in the manner agreed between the Seller and the Borrower, the Borrower will in turn have to perform its obligations to the Seller under the Mortgage Receivables (including in respect of the amounts placed on the Construction Deposit). Upon a bankruptcy or suspension of payments involving the Seller, the Borrower is entitled to require the Seller's bankruptcy trustee to confirm within a reasonable term whether it will perform the Seller's obligations under the relevant Portfolio Mortgage Loan, i.e. making available to the Borrower the Construction Deposit. The Borrower can request that the Seller's bankruptcy trustee provides in these circumstances security for the performance of its obligations. If the Seller's bankruptcy trustee fails to provide such confirmation or such security the Seller's bankruptcy trustee (and possibly also the Issuer and/or the Security Trustee) will lose its/their right to demand performance by the Borrower of his obligations to the extent relating to the relevant Construction Deposit. The Borrower, however, will not be released from his payment obligations in respect of the amounts that it has received under the relevant Portfolio Mortgage Loan from the Seller by a payment out of the relevant Construction Deposit.

In addition, if the Seller would for any reason fail to fulfil its obligations relating to the Construction Deposits, the Borrower could invoke rights of set-off or other defences vis-à-vis the Issuer, which would reduce the proceeds of the Mortgage Receivables. In such event, provided an Assignment Notification Event has occurred, the Issuer is entitled under the terms of the Construction Deposits Guarantee to invoke the Construction Deposits Guarantee for payment by the Construction Deposits Guarantor to it at first written request of an amount equal to the outstanding payment obligations of the Seller to the Borrower with respect to the relevant Construction Deposits (if any). Receipt of such amount by the Issuer under the Construction Deposit Guarantee is subject to the ability of the Construction Deposit Guarantor to actually make such payments. This may result in the Issuer not having sufficient funds to meet its payment obligations under the Notes.

For specific set-off issues relating to Life Mortgage Loans, Switch Mortgage Loans and Savings Mortgage Loans reference is made to *Risks related to Insurance Policies* below.

Risks related to Mortgage Rights

The Mortgage Receivables sold to the Issuer will be secured by mortgage rights which not only secure the initial loan granted to the Borrower, but also other liabilities and monies that the Borrower, now or in the future, may owe to the Seller (the so-called *bankhypotheken*, hereinafter referred to as "**Bank Mortgages**").

Under Dutch law a mortgage right is an accessory right (*afhankelijk recht*) which follows by operation of law the receivable with which it is connected. Furthermore, a mortgage right is an ancillary right (*nevenrecht*) and the assignee of a receivable secured by an ancillary right will have the benefit of such right, unless the ancillary right by its nature is, or has been construed as, a purely personal right of the assignor or such transfer is prohibited by law. However, Dutch legal commentators have different views on whether, in the event of assignment or pledge of a receivable secured by a Bank Mortgage, the mortgage will follow such receivable. Based upon case law, the prevailing view has been for a long time that a Bank Mortgage will only follow the receivable which it secures if the relationship between the bank and a borrower has been terminated in such a manner that following the transfer, the bank cannot create or obtain new receivables against the borrower. However, in recent legal literature this view is generally disputed and it is argued, in particular where the mortgage deed indicates that the parties intended this to happen, that the Bank Mortgage will (partially) follow the receivable to the extent that it has been assigned, irrespective of whether the banking relationship between the bank and the borrower has terminated.

In the Mortgage Receivables Purchase Agreement the Seller represents and warrants that, upon creation of the Mortgage Rights securing the Mortgage Receivables, the conditions applicable to the Portfolio Mortgage Loans (the "**Mortgage Conditions**") contained a provision to the effect that, upon assignment or pledge of the relevant receivable, in whole or in part, the Mortgage Right will pro rata follow such receivable as an ancillary right. This provision is a clear indication of the intention of the parties in respect of assignment and pledge of the receivable. In the determination of whether a Bank Mortgage follows the receivable to which it is connected, the wording of the Mortgage Conditions in the relevant mortgage deed is an all important factor. The inclusion of this provision in the Mortgage Conditions therefore provides strong support for the view that, in this case, the Mortgage Right will follow the Mortgage Receivable on a pro rata basis upon assignment or pledge as an ancillary right, albeit that there is no conclusive case law which supports this view.

If the Bank Mortgages would (pro rata) have followed the Mortgage Receivables upon assignment or pledge, this would imply that the Mortgage Rights may be co-held by the Seller and the Issuer in respect of which the rules applicable to co-ownership (*gemeenschap*) apply. The Dutch Civil Code provides for various mandatory rules applying to such co-owned rights. In the Mortgage Receivables Purchase Agreement the Seller, the Issuer and the Security Trustee will agree that the Issuer and/or the Security Trustee, as the case may be, will manage and administer such co-held rights. It is uncertain whether the foreclosure of the Mortgage Rights will be considered as day-to-day management, and, consequently whether, upon the Seller being declared bankrupt or being granted a suspension of payments, the consent of the Seller's bankruptcy trustee or administrator may be required for such foreclosure. The Seller, the Issuer and the Security Trustee will agree in the Mortgage Receivables Purchase Agreement that in case of foreclosure the share (*aandeel*) in each co-held Mortgage Right of the Security Trustee and/or the Issuer will be equal to the outstanding principal amount of the Mortgage Receivable, increased with interest and costs, if any, and the share of the Seller will be equal to the Net Proceeds less the outstanding principal amount of the Mortgage Receivables, increased with interest and costs, if any. It is uncertain whether this arrangement will be enforceable. In this respect it will be agreed that in case of a breach by the Seller of its obligations under these arrangements or if any of such agreements are dissolved, void, nullified, or ineffective for any reason in respect of the Seller, it shall compensate the Issuer and/or the Security Trustee, as the case may be, forthwith for any and all loss, cost, claim, damage and expense whatsoever which the Issuer and/or the Security Trustee, as the case may be, incurs as a result thereof. Receipt of such amount by the Issuer and/or the Security Trustee is subject to the ability of the Seller to actually make such payments. There is a risk that the Seller is not able to make such payment which would affect the ability of the Issuer to perform its payment obligations under the Notes.

If the Bank Mortgages would not (pro rata) have followed the relevant Mortgage Receivables upon assignment by the Seller, this means that it is uncertain, depending on the specific facts and circumstances involved, (i) whether the Issuer and, consequently, the Security Trustee (as pledgee), would have the benefit of a Mortgage Right securing such Mortgage Receivables and (ii) if subsequently a Borrower fails to comply with its obligations under the relevant Portfolio Mortgage Loan, whether the Issuer or the Security Trustee (as the case may be) would be in a position to foreclose the Bank Mortgage (respectively, as legal owner and as pledgee of the relevant Mortgage Receivables). If not, the assistance of the Seller's administrator (in the case of suspension of payments) or bankruptcy trustee (in the case of bankruptcy) would be required to effect a foreclosure which would, in whole or in part, be for the benefit of the Issuer or the Security Trustee, as the case may be. It is uncertain whether such assistance would be forthcoming.

It is noted that if the Issuer does not have the benefit of the Mortgage Right, it will not be entitled to claim under the associated NHG Guarantee (if any).

Borrower Pledges

What is stated in the various paragraphs under *Risks related to Mortgage Rights* above in respect of mortgage rights applies *mutatis mutandis* in respect of the rights of pledge (each such right a "**Borrower Pledge**") granted by the Borrower as security for its payment obligations towards the Seller where such right of pledge secures the same liabilities as the Bank Mortgages or, as the case may be, all amounts which the Borrower owes under the mortgage deed and any Further Advances to be granted to the Borrower, unless otherwise stipulated below.

Risks related to Insurance Policies

The Portfolio Mortgage Loans which in whole or in part consist of a Life Mortgage Loan, a Savings Mortgage Loan or a Switch Mortgage Loan have the benefit of a Life Insurance Policy, Savings Insurance Policy, or Savings Investment Insurance Policy, respectively. The Portfolio Mortgage Loans which do not include such a Life Mortgage Loan, Savings Mortgage Loan or Switch Mortgage Loan will have the benefit of a separate Risk Insurance Policy in the event and to the extent the relevant Portfolio Mortgage Loan exceeds 100 per cent. of the foreclosure value of the relevant property (*executiewaarde*), except in the event of NHG Mortgage Loan Parts which do not include a Life Mortgage Loan, Savings Mortgage Loan or Switch Mortgage Loan which will have the benefit of a separate Risk Insurance Policy in the event and to the extent the relevant Portfolio Mortgage Loan exceeds 80 per cent. of the value of the relevant property (the Life Insurance Policies, Savings Insurance Policies, Savings Investment Insurance Policies and Risk Insurance Policies being together referred to as the "**Insurance Policies**").

In this paragraph, certain legal issues relating to the effects of the assignment of the Mortgage Receivables on the Insurance Policies are set out. Investors should be aware that it is possible that (i) the Issuer will not benefit from the Insurance Policies and/or (ii) the Issuer may not be able to recover any amounts from the relevant Borrower if the relevant Insurance Company defaults in its obligations as further described in this paragraph. As a consequence thereof the Issuer may not have a claim for such amounts on the Borrower and may, therefore, not have the benefit of the Mortgage Right securing such claim. In such case the rights of the Security Trustee will be similarly affected.

Pledge

Many of the Portfolio Mortgage Loans have the benefit of an Insurance Policy. All rights of the Borrowers under the Insurance Policies have been pledged to the Seller. However, the Issuer has been advised that it is possible that the right to receive payment, including the commutation payment *(afkoopsom),* under the Insurance Policies will be regarded by a Dutch court as a future right. The pledge of a future right is, under Dutch law, not effective if the pledgor is declared bankrupt or granted a suspension of payments prior to the moment such right comes into existence. This means that it is uncertain whether such right of pledge will be effective. Even if the pledge over the rights under the Insurance Policies was effective, it would be uncertain whether such right of pledge would pass to the Issuer or, as the case may be, the Security Trustee upon the assignment or pledge of the Mortgage Receivables, where such pledge secures not only all amounts which the Borrower owes under the

mortgage deed but also any Further Advances granted to the Borrower or, as the case may be, any other amounts that the Borrower, now or in the future, may owe to the Seller (see above under *Risks related to Mortgage Rights*).

Appointment of Beneficiary

The Seller has been appointed as beneficiary under the Insurance Policies up to the amount owed by the Borrowers to the Seller at the moment when the insurance proceeds under the Insurance Policies become due and payable by the relevant Insurance Company (the "**Beneficiary Rights**"), except for cases where another beneficiary has been appointed who will rank ahead of the Seller. In such cases it is provided that the relevant Insurance Company is irrevocably authorised by such beneficiary to apply the insurance proceeds in satisfaction of the Mortgage Receivables. It is unlikely that the Beneficiary Rights will follow the Mortgage Receivables upon assignment or pledge thereof to the Issuer or the Security Trustee. The Beneficiary Rights will, to the extent legally possible, be assigned by the Seller to the Issuer and will be pledged by the Issuer to the Security Trustee (see under section *Description of Security* below), but it is uncertain whether this assignment and pledge will be effective.

Because of the uncertainty as to whether the Issuer becomes beneficiary of the Insurance Policies and whether the pledge of the Beneficiary Rights is effective, the Issuer will enter into a beneficiary waiver agreement at the Signing Date (the "**Beneficiary Waiver Agreement**") with the Seller and the Security Trustee. In the Beneficiary Waiver Agreement the Seller, subject to the condition precedent of the occurrence of an Assignment Notification Event, waives its rights as beneficiary under the Insurance Policies and appoints as first beneficiary (i) the Issuer subject to the dissolving condition of the occurrence of a pledge notification event (a "**Pledge Notification Event**") as referred to in clause 7 of the Mortgage Receivables Pledge Agreement and (ii) the Security Trustee under the condition precedent of the occurrence of a Pledge Notification Event referred to in the Mortgage Receivables Pledge Agreement. It is, however, uncertain whether such waiver and appointment will be effective, mainly because it is unclear whether or not the right to change the appointment can be validly assigned to the Issuer or is included in the rights of a Seller as pledgee or as beneficiary under the Insurance Policies. In view of this, the Seller will undertake to use its best efforts following an Assignment Notification Event to obtain the co-operation of all relevant parties to appoint the Issuer or the Security Trustee, as the case may be, as first beneficiary under the Insurance Policies. It is uncertain whether such co-operation will be forthcoming. In the event that an irrevocable authorisation to apply the insurance proceeds in satisfaction of the Mortgage Receivables as described above exists, the Seller will undertake in the Beneficiary Waiver Agreement, following an Assignment Notification Event, to use its best efforts to change the payment instruction in favour of (i) the Issuer subject to the dissolving condition of the occurrence of a Pledge Notification Event and (ii) the Security Trustee under the condition precedent of the occurrence of a Pledge Notification Event. If the Issuer or the Security Trustee, as the case may be, has not become beneficiary of the Insurance Policies and the pledge and the waiver of the Beneficiary Rights are not effective, any proceeds under the Insurance Policies will be payable to the Seller or to another beneficiary, instead of the Issuer or the Security Trustee, as the case may be. If the proceeds are paid to the Seller, it will be obliged to pay the amount involved to the

Issuer or the Security Trustee, as the case may be. There is a risk that the Seller is not able to make such payment which would affect the ability of the Issuer to perform its payment obligations under the Notes. If the proceeds are paid to the Seller and the Seller does not pay the amount involved to the Issuer or the Security Trustee, as the case may be, e.g. in the case of bankruptcy of the Seller or if the proceeds are paid to another beneficiary instead of the Issuer or the Security Trustee, as the case may be, this may result in the amount paid under the Insurance Policies not being applied in reduction of the Mortgage Receivable. This may lead to the Borrower invoking defences against the Issuer or the Security Trustee, as the case may be, for the amounts so received by the Seller as further discussed under *Set-off or defences* below.

Insolvency of the Insurance Companies

If any of the Insurance Companies is no longer able to meet its obligations under the Insurance Policies, e.g. in case it is declared bankrupt or subjected to emergency regulations, this could result in the amounts payable under the Insurance Policies not or only partly being available for application in reduction of the relevant Mortgage Receivables. This may lead to the Borrowers invoking set-off rights and defences as further discussed under *Set-off or defences* below.

Set-off or defences

If the amounts payable under the Insurance Policies do not serve as a reduction of the Mortgage Receivable (see *Appointment of Beneficiary* and *Insolvency of Insurance Company* above), the Borrower may invoke a right of set-off of the amount due under the Mortgage Receivable with amounts payable under or in connection with the relevant Insurance Policy.

In order to successfully invoke a right of set-off, the Borrowers will need to comply with the applicable legal requirements. One of these requirements is that the relevant Borrower should have a claim which corresponds to his debt to the same counterparty. The Insurance Policies are contracts between the Insurance Companies and the Borrowers on the one hand and the Portfolio Mortgage Loans are contracts between the Seller and the Borrowers on the other hand. Therefore, in order to invoke a right of set-off the Borrowers would have to establish that the Seller and the Insurance Companies are to be regarded as one legal entity or that, based upon interpretation of case law, set-off is allowed, even if the Seller and the Insurance Companies are not considered as one legal entity, since the Portfolio Mortgage Loans and the Insurance Policies are to be regarded as one interrelated relationship.

Furthermore, the Borrowers should have a counterclaim. If one of the Insurance Companies is declared bankrupt or is subjected to emergency regulations, the Borrower will have the right to unilaterally terminate the Insurance Policy and to receive a commutation payment *(afkoopsom).* These rights are subject to the Borrower Pledge (see *Pledge* above). However, despite this pledge it may be argued that the relevant Borrower will be entitled to invoke a right of set-off for the commutation payment. Apart from the right to terminate the Insurance Policies, the Borrowers are also likely to have the right to rescind 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 Pledge. If not,

the Borrower Pledge would not obstruct a right of set-off with such claim by the Borrowers.

Even if the Borrowers cannot successfully invoke a right of set-off, they may invoke other defences vis-à-vis the Seller, the Issuer and/or the Security Trustee. The Borrowers will have all defences afforded by Dutch law to debtors in general. The Borrowers could, *inter alia*, argue that it was the intention of the parties involved - at least that they could rightfully interpret the mortgage documentation and the promotional materials in such manner - that the Portfolio Mortgage Loan and the relevant Insurance Policy are to be regarded as one interrelated legal relationship, and could on this basis claim a right of annulment or rescission of the Portfolio Mortgage Loan or that the Mortgage Receivable would be (fully or partially) repaid by means of the proceeds of the Insurance Policy and that, failing such proceeds being so applied, the Borrower is not obliged to repay the (corresponding) part of the Mortgage Receivable. On the basis of similar reasoning, Borrowers could also argue that the Portfolio Mortgage Loans and the Insurance Policies were entered into as a result of 'error' *(dwaling)* or that it would be contrary to principles of reasonableness and fairness *(redelijkheid en billijkheid)* for a Borrower to be obliged to repay the Mortgage Receivable to the extent that he has failed to receive the proceeds of the Insurance Policy.

Life Mortgage Loans

Although the possibility cannot be disregarded that the courts will honour any set-off or other defences, as described above, made by the Borrowers, if in the case of bankruptcy or emergency regulations of the relevant Insurance Company the Borrowers are not able to recover their claims under their Life Insurance Policies, the Issuer has been advised in respect of Life Mortgage Loans that, in view of the factual circumstances involved, the risk that the courts will honour such set-off or other defences is remote. This view is based on the fact that (i) the relevant Insurance Companies and the Seller are not the same entity; therefore, the legal requirement for set-off that both the debt and the claim are owed and due to the same entity is not met, (ii) such Insurance Companies do not form part of the same group of companies to which the Seller belongs, (iii) there are no marketing ties between the Seller and the Insurance Companies, (iv) the Life Mortgage Loan and the relevant Life Insurance Policy are not sold as one single package, i.e. the Borrowers do have a free choice as to the Insurance Company with which they will take out a Life Insurance Policy in relation to their mortgage loan to be entered into with the Seller, provided that any such insurance company selected is established in the Netherlands and (v) there is no connection, whether from a legal or commercial view, between the Life Mortgage Loans and the relevant Life Insurance Policies other than the relevant Borrower Pledge and Beneficiary Rights. All Life Insurance Policies are taken out with Insurance Companies which do not form part of the same group of companies as the Seller.

Savings Mortgage Loans and Switch Mortgage Loans

In respect of Savings Mortgage Loans and Switch Mortgage Loans the Issuer has been advised that the risk that the invoking of a right of set-off or other defences, as described above, would be successful is substantially greater than in case of Life Mortgage Loans in view, *inter alia*, of the close connection between such Mortgage Loans and the relevant Insurance Policies and the fact that these Mortgage Loans and Insurance Policies are sold as one single package. However, the Sub-Participation Agreements entered into between the Issuer and each of the Insurance Savings Mortgage Participants (i.e. ASR and Obvion) in respect of the Savings Mortgage Loans and Switch Mortgage Loans will provide that in case of set-off or defences by Borrowers, including but not limited to a right of set-off or defence based upon a default in the performance by the relevant Insurance Company (i.e. ASR or Interpolis) of its obligations under the relevant Savings Insurance Policy or Savings Investment Insurance Policy, as a consequence of which the Issuer has not received any amount due and outstanding, the relevant Savings Participation of the Insurance Savings Mortgage Participant will be reduced by an amount equal to the amount which the Issuer has failed to receive. The amount of the Savings Participation in respect of a Savings Mortgage Loan or Switch Mortgage Loan is equal to the amount of Savings Premiums and Savings Investment Premiums, respectively, received by the Issuer plus the accrued yield on such amount (see under section *Sub-Participation Agreements* below), provided that the Insurance Savings Mortgage Participant will have paid all amounts due under the relevant Sub-Participation Agreement to the Issuer. Therefore, normally the Issuer would not suffer any loss if the Borrower was to successfully invoke any such right of set-off or defence, if and to the extent that the amount for which the Borrower was to successfully invoke set-off or defences did not exceed the amount of the Savings Participation. It is of note, however, that in respect of the Switch Mortgage Loans and the Savings Mortgage Loans to which a Savings Insurance Policy of Interpolis is connected, Obvion and not the relevant Insurance Company (i.e. Interpolis) is the Insurance Savings Mortgage Participant which means that there is a risk that an amount equal to the Savings Investments Premiums (in respect of the Switch Mortgage Loans) and the Savings Premiums (in respect of the Savings Mortgage Loans) can no longer be paid to the Issuer if Obvion becomes insolvent. Obvion has undertaken to use its best efforts upon the occurrence of an Assignment Notification Event to (i) find a substitute insurance savings mortgage participant, provided that each Rating Agency either (a) has provided a Rating Agency Confirmation in respect of such substitution or (b) by the 15th day after it was notified of such event or matter has not indicated (x) which conditions are to be met before it is in a position to grant a Rating Agency Confirmation or (y) that the then current ratings assigned by it to the Notes will be adversely affected by or withdrawn as a result of such event or matter or, alternatively, to (ii) repurchase and accept re-assignment of the Mortgage Receivables resulting from the Switch Mortgage Loans and Savings Mortgage Loans to which a Savings Investment Insurance Policy or Savings Insurance Policy of Interpolis is connected. However, if the Seller fails to find a substitute insurance savings mortgage participant or to repurchase and accept re-assignment the above arrangement will not apply to any Savings Premiums or Savings Investment Premiums paid by the Borrower in respect of the relevant Savings Mortgage Loan or Switch Mortgage Loan after Obvion becoming insolvent (and therefore unable to comply with its obligations under the relevant Sub-Participation Agreement) and the accrued yield thereon.

Investment Mortgage Loans

Under the Investment Mortgage Loans the Borrowers do not repay principal prior to maturity of the Mortgage Loans. Instead the Borrowers undertake to invest agreed amounts in certain investment funds. See further under section *Description of Portfolio Mortgage Loans*. Under the Investment Mortgage Loans the investments in certain investment funds are effected by the Borrowers paying certain agreed amounts to an entity (usually a foundation (*stichting*) which qualifies as a so-called 'effectengiro' or '*beleggersgiro*' (see below) (each a "**Custodian**")), which amounts are subsequently applied to acquire participations (*deelnemingsrechten*) in certain selected investment funds in accordance with the instructions of the relevant Borrowers. Each of the investment funds are managed by separate legal entities. The participations that are purchased are credited to the investment accounts of the relevant Borrowers (the "**Investment Accounts**"). It is the intention that the Mortgage Receivables will be fully or partially repaid with the proceeds of the investments. In this structure the Borrowers have a claim on the relevant Custodian for the value of the investments. The purpose of each of the Custodians is to hold participations in investment funds for custody purposes and normally its obligations to holders of the Investment Accounts should be equal to the value of the corresponding participations of the relevant Custodian in the investment funds. Provided that each of the Custodians is in full compliance with all applicable laws, in particular the Act on the Financial Supervision (*Wet op het financieel toezicht*), and provided the limitations on the scope of its business as set out in its corporate objective (pursuant to which it will be prohibited from conducting any commercial activity other than its activities as custodian in respect of the securities held for the Borrowers and the keeping of the books in respect of the securities accounts) are observed, the investments made by the Borrowers through any of the Custodians will form part of the estate of the relevant Custodian and each of the Custodians can be considered a bankruptcy remote entity. Should any of the Custodians not be able to meet its obligations towards the Borrowers, this could lead to set-off or defences by Borrowers similar to those described under *Risks related to Insurance Policies* above, except for the set-off or defences described in *Appointment of Beneficiary* in respect of the situation where the Seller is insolvent.

Pledge

All rights of a Borrower in connection with the relevant Investment Account have been pledged to the Seller in order to secure the same liabilities as the relevant Mortgage Right. The observations made above in relation to *Risks related to Mortgage Rights* apply equally here. Furthermore, any rights of pledge on the rights of the relevant Borrowers in connection with the Investment Accounts to the extent the rights of the Borrowers qualify as future claims, such as options (*opties*) will not be effective.

Bank Savings Mortgage Loans

Each Bank Savings Mortgage Loan has the benefit of the balance standing to the credit of the associated Bank Savings Account which is held at the Bank Savings Account Bank. The relevant Mortgage Loan and Bank Savings Account are sold as one single package. In respect of the balance standing to the credit of a Bank Savings Account, it is the intention that at the maturity of the relevant

Bank Savings Mortgage Loan, such balance will be used to repay the relevant Bank Savings Mortgage Loan, whether in full or in part. With respect to each Bank Savings Mortgage Loan it has been agreed between the Seller, the Bank Savings Account Bank and the relevant Borrower that if the Seller and/or the Bank Savings Account Bank has been declared bankrupt or has become subject to a suspension of payments or, as the case may be, emergency regulations, the amounts the Borrower owes in respect of the Mortgage Receivables will be automatically subject to a (contractual) set-off whereby the amounts owed by the Borrower under the Bank Savings Mortgage Loan will be reduced with the balance standing to the credit of the relevant Bank Savings Account. However, if the (contractual) set-off as agreed between the parties would not be enforceable or effective for whatever reason upon the Seller and/or the Bank Savings Account Bank being declared bankrupt or becoming subject to a suspension of payments or emergency regulations, as the case may be, the Borrower may invoke other defences vis-à-vis the Seller as set forth in *Risks related to Insurance Policies; Set-off or defences* above. The Issuer has been advised that after notification of the assignment to the Borrower, the Borrower will be entitled to invoke such set-off right or other defences against the Issuer or the Security Trustee, as the case may be, as the Seller, the Bank Savings Account Bank and the relevant Borrower have agreed and acknowledged that the Bank Savings Mortgage Loan and the associated Bank Savings Account are to be regarded as one interrelated legal relationship. Therefore if the Seller or the Bank Savings Account Bank has been declared bankrupt or has become subject to a suspension of payments or, as the case may be, emergency regulations the Mortgage Receivables owed by Borrowers that have entered into a Bank Savings Mortgage Loan will be extinguished (*tenietgaan*) up to the amount of the balances standing to the credit of the relevant Bank Savings Accounts. This could lead to losses under the Notes. In view hereof, the Bank Savings Sub-Participation Agreement will be entered into by the Seller in its capacity as Bank Savings Mortgage Participant with the Issuer and the Security Trustee, which agreement will be materially in the same form as the Insurance Savings Sub-Participation Agreements as described in *Risks related to Insurance Policies, Savings Mortgage Loans and Switch Mortgage Loans* above. Therefore, normally the Issuer would not suffer any loss in respect of a Bank Savings Mortgage Loan in case the (contractual) set-off as described above takes place or the relevant Borrower successfully invokes other defences, if and to the extent that the amount for which the (contractual) set-off takes place or the Borrower successfully invokes other defences did not exceed the amount of the relevant Bank Savings Participation. Obvion has undertaken to use its best efforts upon the occurrence of an Assignment Notification Event to (i) find a substitute bank savings mortgage participant, provided that each Rating Agency either (a) has provided a Rating Agency Confirmation in respect of such substitution or (b) by the 15th day after it was notified of such event or matter has not indicated (x) which conditions are to be met before it is in a position to grant a Rating Agency Confirmation or (y) that the then current ratings assigned by it to the Notes will be adversely affected by or withdrawn as a result of such event or matter or, alternatively, to (ii) repurchase and accept re-assignment of the Mortgage Receivables resulting from the Bank Savings Mortgage Loans. However, if the Seller fails to find a substitute bank savings mortgage participant or to repurchase and accept re-assignment the above arrangement will not apply to any Bank Savings Deposits paid by the Borrower in respect of the relevant Bank Savings Mortgage Loan after Obvion becoming insolvent (and therefore unable to

comply with its obligations under the Bank Savings Sub-Participation Agreement) and the accrued yield thereon.

Pledge and re-pledge
All rights of a Borrower in connection with the relevant Bank Savings Account have been pledged to the Seller in order to secure the same liabilities as the relevant Mortgage Right. The observations made above in relation to *Mortgage Rights* apply equally here. Furthermore, any rights of pledge on the rights of the relevant Borrowers in connection with the Bank Savings Accounts to the extent the rights of the Borrowers qualify as future claims will not be effective.

The Seller has re-pledged the rights in connection with Bank Savings Accounts to the Bank Savings Account Bank which have been pledged to it by the relevant Borrowers as security for its payment obligations under the co-operation and ancillary agreements entered into between the Seller and the Bank Savings Account Bank in relation to the Bank Savings Mortgage Loans. As a result the balances standing to the credit of the Bank Savings Accounts may be used by the Bank Savings Account Bank to fulfil the outstanding payment obligations of the Seller towards the Bank Savings Account Bank upon its bankruptcy and it being granted a suspension of payments which will result in each of the relevant Borrowers acquiring a claim against the Seller up to an amount equal to the balance standing to the credit of the relevant Bank Savings Account. These claims will be automatically off-set with the amounts owed by such Borrowers under the Bank Savings Mortgage Loans as set forth above.

Reduced Value of Investments and incomplete or misleading marketing material
The value of investments made by the Insurance Companies in connection with the Life Insurance Policies and Savings Investment Insurance Policies or made on behalf of the Borrowers under the Investment Mortgage Loans, may not provide the Borrower with sufficient proceeds to fully repay the related Mortgage Receivables at their maturity. Further, if the development of the value of these investments is not in line with the expectations of a Borrower, such Borrower may invoke set-off or other defences against the Seller or the Issuer, as the case may be, by arguing that he has not been properly informed of the risks involved in the investments. Apart from the general obligation of contracting parties to provide information, there are several provisions of Dutch law applicable to offerors of financial products, such as Investment Mortgage Loans, Life Mortgage Loans and Switch Mortgage Loans. In addition, several codes of conduct apply on a voluntary basis. On the basis of these provisions offerors of these products (and intermediaries) have a duty, inter alia, to provide the customers with accurate, complete and non-misleading information about the product, the costs and the risks involved. These requirements have become more strict over time. A breach of these requirements may lead to a claim for damages from the customer on the basis of breach of contract or tort or the relevant contract may be dissolved (*ontbonden*) or nullified or a Borrower may claim set-off or defences against the Seller or the Issuer (or the Security Trustee). The merits of any such claim will, to a large extent, depend on the manner in which the relevant Portfolio Mortgage Loans have been marketed by the Seller and/or its intermediaries and the promotional material provided to the Borrower. Depending on the relationship between the offeror and any intermediary involved in the marketing and

sale of the product, the offeror may be liable for actions of the intermediaries which have led to a claim. The risk of such claims being made increases, if the value of investments made under Investment Mortgage Loans or Life Insurance Policies or Savings Investment Insurance Policies is not sufficient to redeem the relevant Portfolio Mortgage Loans.

In this respect it is further of note that, in the summer of 2006, the Authority for the Financial Markets published a report on so-called unit-linked or investment insurance policies whereby the premiums are invested in certain investment funds selected by the insured. The proceeds of the insurance policy are (largely) dependent on the return of such investment funds. According to the report the promotional material provided by some of the insurance companies to its customers was not complete and misleading in some respects (i.e. in respect of transparency of costs). The report was followed by a letter of the Minister of Finance and a report issued by the Committee De Ruiter in December 2006 containing recommendations to the insurance companies to improve the information provided to the customers and to compensate the customers which were misled. In connection therewith, several claimant organisations have been established, such as the Stichting Woekerpolis Claim and the Stichting Verliespolis, an initiative of, inter alia, the Dutch Association of House Owners (*Vereniging Eigen Huis*) and the Dutch Association of Stock Owners (*Vereniging van Effectenbezitters*) which was established in December 2006. Stichting Woekerpolis Claim and Stichting Verliespolis have initiated several legal proceedings against certain insurance companies to make claims for compensation for customers that were misled and prejudiced.

On 4 May 2008 the Financial Services Ombudsman published a recommendation to deal with complaints. He concluded that insurers in general have not provided sufficient transparency concerning the costs of unit-linked insurance products. This may, however, vary per insurer. He recommended insurers to compensate customers of unit-linked insurance products of which the costs over the duration of the policy is higher than an annual rate of 2.5 to 3.5 per cent of the gross fund output at least for the incremental costs.

Based on this recommendation, certain insurance companies and *Stichting Woekerpolis Claim* and *Stichting Verliespolis* entered into compensation arrangements in 2008, 2009 and 2010. These arrangements were supported by, inter alia, the Dutch Association of House Owners (*Vereniging Eigen Huis*) and the Dutch Association of Stock Owners (*Vereniging van Effectenbezitters*). The compensation arrangements apply to investment insurances that were concluded prior to 1 January 2008. The insurance companies agreed to observe a maximum annual costs percentage for advice, administration and management of the investment portfolio based on the total policy value accrued. Customers that concluded investment insurances prior to 1 January 2008 and were (or still are) confronted with an actual annual costs percentage that exceeds the maximum agreed in the compensation arrangements, should be compensated by the insurance company. This compensation can be granted directly or settled with the customer at the expiry date of the policy. Almost all customers that joined the *Stichting Woekerpolis Claim* and *Stichting Verliespolis* opted to participate in the compensation arrangements. A number of smaller insurance companies completed similar

compensation arrangements, which received the approval of the Financial Services Ombudsman.

By letter of 24 November 2011 the Dutch Minister of Finance informed the Parliament on the "best of class ancillary policy". Insurance companies should prepare, in addition to the compensation arrangement, an ancillary policy (*flankerend beleid*) to protect the interests of customers with investment insurances. The Minister notes that certain insurance companies have already improved their ancillary policy notably. The compensation arrangements, accompanied by a convincing ancillary policy, should offer insurance companies the solution to the three problems, noted by the Minister, relating to investment insurances: (i) intransparency and high level of costs, (ii) limited possibilities for product improvement, and (iii) insufficient provision of information and advising on investment insurances.

The ancillary policy should in particular enable the insurance company to achieve that (i) it provides customers clear and useful individual information on possible compensation for the product, (ii) it develops low key information possibilities for its customers, (iii) advisors advice on adjustments of current policies without charging any additional costs, (iv) it provides for a helpdesk for customers that do not have an own advisor, (v) it does not request any discharge (*kwijting*) for the payment of compensation, (vi) the compensation is directly added to the existing insurance policy, (vii) the customer can change within his current product to more inexpensive funds or risk coverage, (viii) it offers cheaper or better alternative products, (ix) no costs are charged for a transfer if a customer chooses for an alternative product at the same or another offeror, (x) it will constantly analyse and review new and modified products. In its letter the Minister (urgently) requests insurance companies to model their ancillary policy according to these premises (best of class).

The above mentioned unit-linked or investment insurance policies may also be linked to Life Mortgage Loans and Switch Mortgage Loans granted by the Seller, albeit that up to date the number of claims for compensation made by Borrowers in respect of Portfolio Mortgage Loans originated by the Seller is limited. If Life Insurance Policies or Savings Investment Insurance Policies related to the Portfolio Mortgage Loans would for the reasons described in this paragraph be dissolved or terminated, this will affect the collateral granted to secure these Portfolio Mortgage Loans (the Beneficiary Rights would cease to exist). The Issuer has been advised that, depending on the circumstances involved, in such case the Portfolio 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 Portfolio 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, except if the 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 Seller in the marketing and sale of the insurance policy, set-off or defences against the Issuer could be invoked, which will probably only become relevant if the insurer and/or the Seller will not indemnify the Borrower. Any such set-off or defences may lead to losses under the Notes.

Long Leases

The Mortgage Rights securing the Portfolio Mortgage Loans may be vested on a long lease (*erfpacht*), as further described under section *Description of Portfolio Mortgage Loans* below.

A long lease will, *inter alia*, end as a result of expiration of the long lease term (in the case of a fixed period), or termination of the long lease by the leaseholder or the landowner. The landowner can terminate the long lease in the event the leaseholder has not paid the remuneration due for a period exceeding 2 consecutive years or commits a material breach of 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 against 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.

Enforcement of Dutch Security Rights

The Notes will be secured indirectly, through the Security Trustee, by (i) a first ranking undisclosed right of pledge granted by the Issuer to the Security Trustee over the Mortgage Receivables (including any parts thereof corresponding with amounts placed on Construction Deposits), including all rights ancillary thereto in respect of the Portfolio Mortgage Loans and the Beneficiary Rights relating thereto and (ii) a first ranking disclosed pledge by the Issuer to the Security Trustee over the Issuer's rights under or in connection with the Mortgage Receivables Purchase Agreement, the Swap Agreement, the Conditional Deed of Novation, the Servicing Agreement, the Floating Rate GIC, the Liquidity Facility Agreement, the Sub-Participation Agreements, the Beneficiary Waiver Agreement, the Commingling Guarantee, the Construction Deposits Guarantee and in respect of the GIC Accounts. Notification of the undisclosed right of pledge in favour of the Security Trustee can be validly made after bankruptcy or the granting of a suspension of payments in respect of the Issuer. Under Dutch law the Security Trustee can, in the event of bankruptcy or suspension of payments of the Issuer, exercise the rights afforded by law to pledgees as if there were no bankruptcy or suspension of payments. However, bankruptcy or suspension of payments involving the Issuer would affect the position of the Security Trustee as pledgee in some respects, the most important of which are: (i) payments made by the Borrowers to the Seller or, after notification of the assignment, to the Issuer, prior to notification of the right of pledge over the Mortgage Receivables but after bankruptcy or (preliminary) suspension of payments of the Seller or, as the case may be, the Issuer, will form part of the bankruptcy estate of the Seller or the Issuer, although the pledgee has the right to receive such amounts as a preferential creditor after deduction of certain bankruptcy-related costs, (ii) a mandatory freezing-period of up to 4 months may apply in the case of bankruptcy or suspension of payments, which, if applicable, would delay the exercise of the right of pledge on the Mortgage Receivables and (iii) the pledgee may be obliged to enforce its right of pledge within a reasonable period as determined by the judge-commissioner (*rechter-commissaris*) appointed by the court in the case of bankruptcy of the Seller or the Issuer, as the case may be.

To the extent that the receivables pledged by the Issuer to the Security Trustee are future receivables, the right of pledge on such future receivable cannot be invoked against the estate of the Issuer, if such future receivable comes into existence after the Issuer has been declared bankrupt or has been granted a suspension of payments. The Issuer has been advised that the assets pledged to the Security Trustee under the Issuer Rights Pledge Agreement and GIC Accounts Pledge Agreement may be regarded as future receivables. This would for example apply to amounts paid to the GIC Accounts following the Issuer's bankruptcy or suspension of payments.

Risk that the Interest Rate Reset Rights will not follow the Mortgage Receivables

The Issuer has been advised that a good argument can be made that the right to reset the interest rate on the Portfolio Mortgage Loans after the termination of the fixed interest period, 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 Seller, the co-operation of the bankruptcy trustee (in bankruptcy) or administrator (in suspension of payments) would be required to reset the interest rates. It is uncertain whether or when such co-operation will be forthcoming.

Risks of Losses associated with declining property values

The security for the Notes created under the Pledge Agreements may be affected by, among other things, a decline in the value of those properties subject to the mortgage rights securing the Mortgage Receivables and investments under the Insurance Policies. No assurance can be given that values of those properties have remained or will remain at the level at which they were on the date of origination of the related Portfolio Mortgage Loans. In addition, a forced sale of those properties may, compared to a private sale, result in a lower value of such properties. A decline in value may result in losses to the Noteholders if such security is required to be enforced.

Subordination

To the extent set forth in Conditions 4, 6 and 9 the Mezzanine Class B Notes are subordinated in right of payment to the Senior Class A Notes, (b) the Mezzanine Class C Notes are subordinated in right of payment to the Senior Class A Notes and the Mezzanine Class B Notes, (c) the 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 and (d) the Subordinated Class E Notes are subordinated in right of payment to the Senior Class A Notes, the Mezzanine Class B Notes, the Mezzanine Class C Notes and the Junior Class D 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 and after exercise by the Servicer of all available remedies in respect

of the applicable Portfolio Mortgage Loans, the Issuer does not receive the full amount due from such Borrowers, Noteholders may receive by way of principal repayment on the Notes an amount less than the face amount of their Notes and the Issuer may be unable to pay in full interest due on such Notes, to the extent set forth in Condition 9. On any Quarterly Payment Date, any such losses on the Portfolio Mortgage Loans will be allocated as described in section *Credit Structure* below.

Conflict of interest between holders of different Classes of Notes

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) each as a Class, but requiring the Security Trustee in any such case to have regard only to the interests of the most senior ranking Class of Noteholders, if, in the Security Trustee's opinion, there is a conflict between the interests of this Class of Noteholders on one hand and the lower ranking Class or, as the case may be, Classes of Noteholders on the other hand. In addition, the Security Trustee shall have regard to the interests of the other Security Beneficiaries, provided that in case of a conflict of interest between the Security Beneficiaries the priority of payments upon enforcement set forth in the Trust Deed determines which interest of which Security Beneficiary prevails, it being noted that, only for the purpose of determining which party's interest prevails in the case where the Security Trustee shall only have regard to the interest of the Security Beneficiaries mentioned under item d of the Post-Enforcement Priority of Payments, the interest of the Security Beneficiary mentioned under item d (ii) of the Post-Enforcement Priority of Payments shall prevail over the interest of the Security Beneficiary mentioned under item d (i) of the Post-Enforcement Priority of Payments.

Modification, authorisation and waiver without consent of Noteholders

The Security Trustee may agree, without the consent of the Noteholders, to (i) any modification of any of the provisions of the Transaction Documents which is of a formal, minor or technical nature or is made to correct a manifest error and is notified to the Rating Agencies and (ii) any other modification (except if prohibited in the Transaction Documents), and any waiver or authorisation of any breach or proposed breach of any of the provisions of the Transaction Documents, which is in the opinion of the Security Trustee not materially prejudicial to the interests of the Noteholders, in respect of (ii) only, provided that each Rating Agency either (i) has provided a Rating Agency Confirmation in respect of the relevant event or matter or (ii) by the 15th day after it was notified of such event or matter has not indicated (a) which conditions are to be met before it is in a position to grant a Rating Agency Confirmation or (b) that the then current ratings assigned by it to the Notes will be adversely affected by or withdrawn as a result of the relevant modification, waiver or authorisation of any breach or proposed breach.

Eligibility of the Senior Class A Notes for Eurosystem Monetary Policy

The Senior Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. This does not necessarily mean that the Senior Class A Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem (the "**Eurosystem Eligible Collateral**") either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria as specified by the European Central Bank. If the Senior Class A Notes do not satisfy the criteria specified by the European Central Bank, there is a risk that the Senior Class A Notes will not be Eurosystem Eligible Collateral. The Issuer gives no representation, warranty, confirmation or guarantee to any investor in the Senior Class A Notes that the Senior Class A Notes will, either upon issue, or at any or all times during their life, satisfy all or any requirements for Eurosystem eligibility and be recognised as Eurosystem Eligible Collateral. Any potential investors in the Senior Class A Notes should make their own determinations and seek their own advice with respect to whether or not the Senior Class A Notes constitute Eurosystem Eligible Collateral. The Mezzanine Class B Notes, the Mezzanine Class C Notes, the Junior Class D Notes and the Subordinated Class E Notes are not intended to be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem.

License requirement under the Act on the Financial Supervision

Under the Act on the Financial Supervision (*Wet op het financieel toezicht*), a special purpose vehicle which services (*beheert*) and administers (*uitvoert*) loans granted to consumers, such as the Issuer, must have a license under that act. An exemption from the license requirement is available, if the special purpose vehicle outsources the servicing of the loans and the administration thereof to an entity holding a license under the Act on the Financial Supervision. The Issuer has outsourced the servicing and administration of the Portfolio Mortgage Loans and Mortgage Receivables to the Servicer. The Servicer holds a license under the Act on the Financial Supervision and the Issuer will thus benefit from the exemption. However, if the Servicing Agreement is terminated, the Issuer will need to outsource the servicing and administration of the Portfolio Mortgage Loans and Mortgage Receivables to another licensed entity or it needs to apply for and hold a license itself. In the latter case, the Issuer will have to comply with the applicable requirements under the Act on the Financial Supervision. If the Servicing Agreement is terminated and the Issuer has not outsourced the servicing and administration of the Portfolio Mortgage Loans and Mortgage Receivables 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. There are a number of licensed entities in the Netherlands to which the Issuer could outsource the servicing and administration activities. It remains, however, uncertain whether any of these entities will be willing to perform these activities on behalf of the Issuer.

EU Council Directive on taxation of savings income

Under the EU Council Directive 2003/48/EC on the taxation of savings income, Member States are required, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories have adopted similar measures. Pursuant to Condition 5(d), the Issuer undertakes that it will ensure that it maintains a paying agent in an EU Member State that will not be obliged to withhold or deduct any tax pursuant to the EU Council Directive 2003/48/EC. It may be possible that such a paying agent does not perform its obligations in this respect under its agreement with the Issuer, which may result in the Issuer not being able to meet its obligation pursuant to the afore-mentioned Condition 5(d), in which case there remains a risk that under certain circumstances the interest payments under the Notes become subject to withholding tax.

The Issuer will not be obliged to gross-up for taxes

As provided for in Condition 7, if any withholding of, or deductions for, or on account of, any present or future taxes, duties or charges of whatever kind is imposed by, or on behalf of, the Netherlands or any other jurisdiction or any political subdivision or any authority of the Netherlands or in the Netherlands having power to tax, the Issuer or the Paying Agents (as applicable) will make the required withholding or deduction of such taxes, duties or charges, as the case may be, and shall not be obliged to pay any additional amount to the Noteholders.

Changes to the Basel II Capital Accord

Amendments may be made to the current Basel II Capital Accord ("**Basel II** ") promulgated by the Basel Committee on Banking Supervision as set forth in the EU Capital Adequacy Directive, 2006/49/EG and the EU Payment Services Directive, 2006/48/EG (as amended by Directive 2009/111/EC) (together referred to as the (the "**Capital Requirements Directive** ") 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 the Financial Supervision. In light of the financial crisis, the European Parliament adopted in 2009 three directives amending the above mentioned directives. Implementation in the legislation of the relevant EU Member States of these amendments had to occur at the latest on 31 October 2010, and has occurred in the Netherlands. Each Member State is obliged to apply these measures as from 31 December 2010. On 12 September 2010, the Group of Governors and Heads of Supervision, the oversight body of the Basel Committee on Banking Supervision, announced a substantial strengthening of existing capital requirements and fully endorsed the agreements it reached on 26 July 2010, where new rules were proposed amending the existing Basel II on bank capital requirements ("**Basel III** "). The European authorities support the work of the Basel Committee on Banking

Supervision on the approved changes in general and, on 20 July 2011, the European Commission has made proposals of a legislative package consisting a directive and a regulation (known as CRD IV) to implement the changes through the replacement of the existing Capital Requirements Directive with a new Directive and Regulation. As with Basel III, the proposals contemplate the entry into force of the new legislation from January 2013, with full implementation by January 2019; however the proposals allow individual Member States to implement the stricter definition and/or level of capital more quickly than is envisaged under Basel III. Basel II, as published, and, following its implementation (via the Capital Requirements Directive), Basel III will even to a greater extent, 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 investors should consult their own advisers as to the consequences of and the effect on them of the application of Basel II and Basel III, as implemented by their own regulator, to their holding of any Notes. It cannot be excluded that further amendments will be proposed and will have to be implemented in the legislation of the relevant EU Member States, which may have a further impact on, among other things, the risk weighting of the Notes.

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

In Europe, the U.S. and elsewhere there is increased political and regulatory scrutiny of the asset-backed securities industry. This has resulted in number of measures for increased regulation which are currently at various stages of implementation and which may have an adverse impact on the regulatory capital charge to certain investors in securitisation exposures and/or the incentives for certain investors to hold asset-backed securities, and may thereby affect the liquidity of such securities. Investors in the Notes are responsible for analysing their own regulatory position and none of the Issuer, the Arranger, the Managers or the Seller makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment on the Closing Date or at any time in the future.

In particular, investors which are EU regulated credit institutions should be aware of Article 122a of the Capital Requirements Directive and any implementing rules in relation to a relevant jurisdiction which applies in general to newly issued asset-backed securities issued after 31 December 2010. Article 122a of the Capital Requirements Directive restricts an EU regulated credit institution from investing in asset-backed securities unless the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the EU regulated credit institution that it will retain, on an ongoing basis, a net economic interest of no less than 5% in respect of certain specified credit risk tranches or asset exposures as contemplated by Article 122a of the Capital Requirement Directive. Where an EU parent credit institution or an EU financial holding company, or one of its subsidiaries, as an originator or a sponsor, securitises exposures from several credit institutions, investment firms or other financial institutions which are included in the scope of supervision on a consolidated basis, Article 122a of the Capital Requirements Directive permits that the retention requirement may be satisfied on the basis of the consolidated situation of the related EU parent credit institution or EU financial holding company, provided that the relevant credit institution, investment firm or financial institution which created the securitised exposures have committed themselves to adhere to the other requirements set out in Article 122a of the Capital Requirement Directive.

Article 122a of the Capital Requirements Directive also requires an EU regulated credit institution to be able to demonstrate that it has undertaken certain due diligence in respect of, amongst other things, the securitisation notes it has acquired and the underlying exposures and that procedures are established for such due diligence activities to be conducted on an ongoing basis. Failure to comply with one or more of the requirements set out in Article 122a of the Capital Requirements Directive will result in the imposition of a penal capital charge on the notes acquired by the relevant investor.

Article 122a of the Capital Requirements Directive applies in respect of the Notes. Investors, which are EU regulated credit institutions, should therefore make themselves aware of the requirements of Article 122a of the Capital Requirements Directive and any implementing rules in relation to a relevant jurisdiction, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes. With respect to the commitment of the Seller to retain a material net economic interest in the securitisation as contemplated by Article 122a of the Capital Requirements Directive and with respect to the information to be made available by the Issuer or another relevant party (or, after the Closing Date, by the Seller or the Issuer Administrator on the Issuer's behalf) in relation to the due diligence requirements under Article 122a of the Capital Requirement Directive, please see the statements set out in the section entitled "Important Information" of this Offering Circular. Relevant investors are required to independently assess and determine the sufficiency of the information described in this Offering Circular, in any investor report and otherwise, for the purposes of complying with Article 122a of the Capital Requirements Directive and neither the Issuer, the Seller, the Issuer Administrator, the Arranger nor the Managers make any representation that the information described in this Offering Circular, in any investor report and otherwise in relation to Article 122a is sufficient in all circumstances for such purposes.

On 31 December 2010 the Committee of European Banking Supervisors (CEBS), currently the European Banking Authority (EBA), published its Guidelines to Article 122a of the Capital Requirements Directive. Pursuant to the Policy Guideline on the application of EBA Guidelines Act on Financial Supervision 2012 (*Beleidsregel toepassing EBA richtsnoeren Wft 2012*) the Dutch Central Bank (*De Nederlandsche Bank N.V.*) takes these EBA Guidelines into account, while supervising compliance with the rules relating to exposure to transferred credit risks as set out in chapter 7 of the Regulation securitizations Act on Financial Supervision 2011 (*Regeling securitisaties Wft 2011*). Investors who are still uncertain as to the requirements that will need to be complied with in order to avoid the additional regulatory capital charges for non compliance with Article 122a of the Capital Requirements Directive should seek guidance from their regulator. Similar requirements to those set out in Article 122a of the Capital Requirements Directive are expected to be implemented for other EU regulated investors (such as investment firms, insurance and reinsurance undertakings and certain hedge fund managers) in the future.

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

Change of law

The structure of the transaction, the issue of the Notes and the ratings which are to be assigned to the Notes are based on Dutch law and, to the extent it relates to the Swap Agreement, English law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible change in Dutch law or English law or administrative practice in the Netherlands and England and Wales after the date of this Offering Circular nor whether such change would adversely affect the ability of the Issuer to make payments under the Notes.

Reliance on third parties

Counterparties to the Issuer may not perform their obligations under the Transaction Documents, which may result in the Issuer not being able to meet its obligations. It should be noted that there is a risk that, *inter alia*, either (a) Obvion in its capacity as Seller, Servicer, Swap Counterparty, Insurance Savings Mortgage Participant and Bank Savings Mortgage Participant, (b) Rabobank International in its capacity as Back-Up Swap Counterparty and Manager, (c) Rabobank in its capacity as Commingling Guarantor, Construction Deposits Guarantor, Floating Rate GIC Provider and Liquidity Facility Provider and (d) Deutsche Bank AG, London Branch and Deutsche Bank AG, Amsterdam Branch in their capacity as Principal Paying Agent and Paying Agent, respectively, will not perform its obligations vis-à-vis the Issuer.

Swap Agreement

On the Signing Date, the Issuer will enter into the Swap Agreement with the Swap Counterparty and the Security Trustee to hedge the risk of a difference 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's income from the Portfolio Mortgage Loans will be a mixture of floating and fixed rates of interest, which will not directly match (and may in certain circumstances be less than) its obligations to make payments of the floating rate of interest due to be paid by it under the Notes.

Accordingly, the Issuer will depend upon payments made by the Swap Counterparty to assist it in making interest payments on the Notes on each Quarterly Payment Date on which a net payment is due from the Swap Counterparty to the Issuer under the Swap Agreement. If the Swap Counterparty fails to pay any amounts when due under the Swap Agreement, the Notes Interest Available Amounts may be insufficient to make the required payments on the Notes and the Noteholders may experience delays and/or reductions in the interest and principal payments due to be received by them.

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 any change in tax law 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 (provided that the Security Trustee has notified the Rating Agencies of such event and with the consent of the Issuer) transfer its rights and obligations to another of its offices, branches or affiliates or any other person that meets the criteria for a swap counterparty as set forth in the Swap Agreement to avoid the relevant Tax Event. The Swap Counterparty will at its own cost, if it is unable to transfer its rights and obligations under the Swap Agreement to another office, have the right to terminate the Swap Agreement. Upon such termination, the Issuer or the Swap Counterparty may be liable to make a termination payment to the other party.

The Swap Agreement will be terminable by one party if - *inter alia* - (i) an event of default occurs in relation to the other party, (ii) it becomes unlawful for either party to perform its obligations under the Swap Agreement or (iii) an Enforcement Notice is served. Events of default in relation to the Issuer will be limited to (i) non-payment under the Swap Agreement and (ii) insolvency events.

The Conditional Deed of Novation provides that if - *inter alia* - the Swap Counterparty fails to make, when due, any payment to the Issuer under the Swap Agreement or if the Swap Counterparty is declared bankrupt (*failliet*), the Swap Agreement will be novated to the Back-Up Swap Counterparty.

In the event that the Swap Agreement is terminated by either party, then, depending on the total losses and costs incurred in connection with the termination of the Swap Agreement (including but not limited to loss of bargain, cost of funding and losses and costs incurred as a result of termination, liquidating, obtaining or re-establishing any hedge or related trading position), a termination payment may be due to the Issuer or to the Swap Counterparty. Any such termination payment could be substantial. If such a payment is due to the Swap Counterparty (other than where it constitutes a Swap Counterparty Default Payment) it will rank in priority to payments due from the Issuer under the Notes under the Interest Priority of Payments, and could affect the availability of sufficient funds of the Issuer to make payments of amounts due from it under the Notes in full.

In the event that the Swap Agreement is terminated, the Issuer may not be able to enter into a replacement swap agreement with a replacement swap counterparty immediately or at a later date. If a replacement swap counterparty cannot be found, the funds available to the Issuer to pay interest on the Notes will be reduced if the interest revenues received by the Issuer as part of the Mortgage Receivables are substantially lower than the rate of interest payable by it on the Notes. In these circumstances, the holders of Notes may experience delays and/or reductions in the interest and principal payments to be received by them, and the Notes may also be downgraded.

In the event that the Back-Up Swap Counterparty suffers a rating downgrade to below certain rating levels, or rating is withdrawn, the Issuer may terminate the related Swap Agreement if the Swap Counterparty fails, within a set period of time, to take certain actions intended to mitigate the effects of such downgrade or withdrawal. Such actions may include the Swap Counterparty collateralising its obligations under the Swap Agreement, transferring its obligations to a replacement swap counterparty having the Swap Required Ratings or procuring that an entity with the Swap Required Ratings becomes a co-obligor with or guarantor of the Swap Counterparty. However in the event the Back-Up Swap Counterparty is downgraded there can be no assurance that a co-obligor, guarantor or replacement swap counterparty will be found or that the amount of collateral provided will be sufficient to meet the Swap Counterparty's obligations. See section *Credit Structure – Interest Rate Hedging* below for further details of the provisions of the Swap Agreement related to a downgrade in the ratings of the Swap Counterparty.

If not previously terminated, the Swap Agreement will terminate on the earlier of the Final Maturity Date and the date on which the Notes have been redeemed or written off in full in accordance with the Conditions.

The Swap Agreement provides that, in the event that any payment by the Issuer to the Swap Counterparty is less than the amount which the Issuer would be required to pay to the Swap Counterparty, the corresponding payment obligation of the Swap Counterparty to the Issuer shall be reduced by an amount equal to such shortfall. See further under *Interest Rate Hedging* in section *Credit Structure* below.

KEY PARTIES AND SUMMARY OF PRINCIPAL FEATURES

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

KEY PARTIES:

Issuer: STORM 2012-II B.V., incorporated under the laws of the Netherlands as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands and registered in the trade register of the Chambers of Commerce in the Netherlands (the "**Trade Register**") under number 54962242 (the "**Issuer**"). The entire issued share capital of the Issuer is held by Stichting Holding STORM 2012-II.

Seller: Obvion N.V., incorporated under the laws of the Netherlands as a public company with limited liability (*naamloze vennootschap*), having its official seat (*statutaire zetel*) in Eindhoven, the Netherlands and registered with the Trade Register under number 14054633 (the "**Seller**"). The shares in Obvion N.V. are held by Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (70 per cent.) and Stichting Pensioenfonds ABP (30 per cent.).

Issuer Administrator: ATC Financial Services B.V, incorporated under the laws of the Netherlands as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands and registered with the Trade Register under number 33210270 (the "**Issuer Administrator**"). The shares in the Issuer Administrator are held by ATC Group B.V., which entity is also the sole shareholder of each of the Directors.

Servicer: Obvion N.V. (the "**Servicer**").

Sub-Servicer: Stater Nederland B.V., incorporated under the laws of the Netherlands as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), having its official seat (*statutaire zetel*) in Amersfoort, the Netherlands and registered with the Trade Register under number 08716725 (the "**Sub-Servicer**").

Security Trustee:	Stichting Security Trustee STORM 2012-II, established under the laws of the Netherlands as a foundation (*stichting*), having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands and registered with the Trade Register under number 54927676 (the "**Security Trustee**").
Stichting Holding STORM 2012-II:	Stichting Holding STORM 2012-II, established under the laws of the Netherlands as a foundation (*stichting*), having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands and registered with the Trade Register under number 54927404.
Directors:	ATC Management B.V., being the sole director of each of the Issuer and Stichting Holding STORM 2012-II and Amsterdamsch Trustee's Kantoor B.V., being the sole director of the Security Trustee (the "**Directors**"). The Directors and the Issuer Administrator belong to the same group of companies.
Commingling Guarantor:	Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., incorporated under the laws of the Netherlands as a cooperative with limited liability (*coöperatie met beperkte aansprakelijkheid*) and registered with the Trade Register under number 30046259 ("**Rabobank**") (the "**Commingling Guarantor**").
Construction Deposits Guarantor:	Rabobank (the "**Construction Deposits Guarantor**").
Floating Rate GIC Provider:	Rabobank (the "**Floating Rate GIC Provider**").
Liquidity Facility Provider:	Rabobank (the "**Liquidity Facility Provider**").
Swap Counterparty:	Obvion N.V. (the "**Swap Counterparty**").
Back-Up Swap Counterparty:	Rabobank International, London Branch (the "**Back-Up Swap Counterparty**").
Principal Paying Agent:	Deutsche Bank AG, London Branch (the "**Principal Paying Agent**").

Paying Agent:	Deutsche Bank AG, Amsterdam Branch (the "**Paying Agent**" and together with the Principal Paying Agent, the "**Paying Agents**").
Reference Agent:	Deutsche Bank AG, London Branch (the "**Reference Agent**").
Arranger:	Rabobank (trading as Rabobank International) ("**Rabobank International**") (the "**Arranger**").
Managers:	Rabobank International and Citibank International Plc, a company incorporated under English law, having its registered office in London, England (each a "**Manager**" and together, the "**Managers**").
Clearing Institutions:	Euroclear and Clearstream, Luxembourg (the "**Clearing Institutions**").
Listing Agent:	Rabobank International, Utrecht Branch (the "**Listing Agent**").
Rating Agencies:	Moody's Investors Service Limited and Standard & Poor's Credit Market Services Europe Limited (the "**Rating Agencies**"). Each of the Rating Agencies is established in the European Union and is registered under the Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies as amended by Regulation (EU) No 513/2011 (the "**CRA Regulation**").
Savings Mortgage Participants:	(i) ASR Levensverzekering N.V. ("**ASR**") with respect to Savings Mortgage Loans (as defined below) to which a Savings Insurance Policy of ASR is connected, (ii) Obvion N.V. ("**Obvion**") with respect to Switch Mortgage Loans and Savings Mortgage Loans to which a Savings Investment Insurance Policy or Savings Insurance Policy of N.V. Interpolis BTL ("**Interpolis**") is connected (ASR and Obvion each an "**Insurance Savings Mortgage Participant**" and together the "**Insurance Savings Mortgage Participants**") and (iii) Obvion with respect to Bank Savings Mortgage Loans (as defined below) (the "**Bank Savings Mortgage Participant**" and together with the Insurance Savings Mortgage Participants, the "**Savings Mortgage Participants**").

THE NOTES:

Notes:	The € 180,000,000 Senior Class A1 Mortgage-Backed Notes 2012 due 2054 (the "**Senior Class A1 Notes**"), the € 665,000,000 Senior Class A2 Mortgage-Backed Notes 2012 due 2054 (the "**Senior Class A2 Notes**" and together with

the Senior Class A1 Notes, the "**Senior Class A Notes**"), the € 16,100,000 Mezzanine Class B Mortgage-Backed Notes 2012 due 2054 (the "**Mezzanine Class B Notes**"), the € 13,400,000 Mezzanine Class C Mortgage-Backed Notes 2012 due 2054 (the "**Mezzanine Class C Notes**"), the € 15,100,000 Junior Class D Mortgage-Backed Notes 2012 due 2054 (the "**Junior Class D Notes**") and the € 9,000,000 Subordinated Class E Notes 2012 due 2054 (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**") will be issued by the Issuer on 11 April 2012 (or such later date as may be agreed between the Issuer and the Managers) (the "**Closing Date**").

Issue Price: The issue price of each Class of Notes will be as follows:

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

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

Status and Ranking: The Notes of each Class (as defined in the Conditions) rank *pari passu* without any preference or priority among Notes of the same Class. In accordance with the Conditions and the Trust Deed (as defined below) (i) prior to the delivery of an Enforcement Notice (as defined below), payments of principal on the Senior Class A2 Notes are subordinated to, *inter alia*, payments of principal on the Senior Class A1 Notes, (ii) 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, (iii) 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, (iv) 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, (v) 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 section *Terms and Conditions of the Notes* below. The obligations of

the Issuer in respect of the Notes will rank behind the obligations of the Issuer in respect of certain items set forth in the applicable priority of payments. See further section *Credit Structure* below.

Interest:

Interest on the Notes will accrue from (and including) the Closing Date by reference to successive interest periods (each a "**Quarterly Interest Period**") and will be payable quarterly in arrear in euro in respect of the Principal Amount Outstanding (as defined in the Conditions) on the 22nd day of January, April, July and October of each year or, if such day is not a Business Day (as defined below), the next succeeding Business Day, unless such Business Day falls in the next succeeding calendar month in which event the Business Day immediately preceding such 22nd day is the relevant Business Day (each such day being a "**Quarterly Payment Date**"). A "**Business Day**" means a day on which banks are open for business in Amsterdam and London, provided that such day is also a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer 2 System ("**TARGET 2 System**") or any successor thereto is operating credit or transfer instructions in respect of payments in euro. Each successive Quarterly Interest Period will commence on (and include) a Quarterly Payment Date and end on (but exclude) the next succeeding Quarterly Payment Date, except for the first Quarterly Interest Period which will commence on (and include) the Closing Date and end on (but exclude) the Quarterly Payment Date falling in July 2012. The interest will be calculated on the basis of the actual number of days elapsed in a Quarterly Interest Period divided by 360 days.

Interest on the Notes for the first Quarterly Interest Period will accrue from (and include) the Closing Date at an annual rate equal to the linear interpolation between the Euro Interbank Offered Rate ("**Euribor**") for 3-months deposits in Euro and the Euribor for 4-months deposits in Euro (determined in accordance with Condition 4) plus a margin per annum which will be 1.05 per cent. for the Senior Class A1 Notes, 1.50 per cent. for the Senior Class A2 Notes, 2.00 per cent. for the Mezzanine Class B Notes, 3.00 per cent. for the Mezzanine Class C Notes, 4.00 per cent. for the Junior Class D Notes and 6.00 per cent. for the Subordinated Class E Notes.

Interest on the Notes for each successive Quarterly Interest Period up to (but excluding) the Quarterly Payment Date falling in April 2017 (the "**First Optional Redemption Date**") will accrue from the first Quarterly Payment Date at an annual rate equal to Euribor for 3-month deposits in euro (determined in accordance with Condition 4) plus a margin per annum which will be 1.05 per cent. for the Senior Class A1 Notes, 1.50 per cent. for the Senior Class A2

Notes, 2.00 per cent. for the Mezzanine Class B Notes, 3.00 per cent. for the Mezzanine Class C Notes, 4.00 per cent. for the Junior Class D Notes and 6.00 per cent. for the Subordinated Class E Notes.

Interest Step-up: If on the First Optional Redemption Date the Notes of any Class have not been redeemed in full, the margin for each Class of Notes (other than the Subordinated Class E Notes) will increase and the interest applicable to each Class of Notes will then be equal to Euribor for 3-month deposits in euro, payable by reference to Quarterly Interest Periods on each Quarterly Payment Date, plus a margin per annum which will for the Senior Class A1 Notes be 2.10 per cent., for the Senior Class A2 Notes be 3.00 per cent., for the Mezzanine Class B Notes be 3.00 per cent., for the Mezzanine Class C Notes be 4.00 per cent. and for the Junior Class D Notes be 5.00 per cent. For the Subordinated Class E Notes such margin will remain at 6.00 per cent. per annum.

Final Maturity Date:	Unless previously redeemed as provided below, the Issuer will, subject to and in accordance with the Conditions, redeem any remaining Notes outstanding on the Quarterly Payment Date falling in April 2054 at their respective Principal Amount Outstanding (as defined in Condition 6), together with accrued interest, on such date, subject to and in accordance with the Conditions.
Payment of Principal on the Notes:	Prior to the delivery of an Enforcement Notice (as defined below), the Issuer shall on each Quarterly Payment Date apply the Notes Principal Available Amounts (as defined in Condition 6), subject to and in accordance with the Conditions and the Principal Priority of Payments (as defined herein), towards redemption, at their respective Principal Amount Outstanding, of (i) *firstly*, towards the Senior Class A1 Notes until fully redeemed and subsequently towards the Senior Class A2 Notes until fully redeemed, (ii) *secondly*, towards the Mezzanine Class B Notes, until fully redeemed, (iii) *thirdly*, towards the Mezzanine Class C Notes, until fully redeemed and (iv) *fourthly*, towards the Junior Class D Notes, until fully redeemed, provided that up to and including the Quarterly Payment Date immediately preceding the First Optional Redemption Date, such amount will, subject to certain conditions being met, first be applied towards payment of the purchase price for the Further Advance Receivables and/or Replacement Receivables (each as defined below) to the extent offered by the Seller. Prior to the delivery of an Enforcement Notice, payment of principal on the Subordinated Class E Notes will be made subject to and in accordance with the Conditions, on each Quarterly Payment Date to the extent Notes Interest Available Amounts are available in accordance with the Interest Priority of Payments (as defined below).

Optional Redemption of the Notes:

The Issuer will have the option to redeem, subject to Condition 9(b), all (but not only part of) the Notes (other than the Subordinated Class E Notes) on the First Optional Redemption Date and on each Quarterly Payment Date thereafter (each an "**Optional Redemption Date**") at their Principal Amount Outstanding plus accrued but unpaid interest thereon, after payment of the amounts to be paid in priority to such Notes.

Redemption following clean-up call:

In addition, on the Quarterly Payment Date following the exercise by the Seller of the Seller Clean-up Call Option (as defined below), the Issuer shall redeem, subject to Condition 9(b), all (but not only part of) the Notes (other than the Subordinated Class E Notes) at their Principal Amount Outstanding plus accrued but unpaid interest thereon, after payment of the amounts to be paid in priority to such Notes.

Redemption for tax reasons:

In the event of certain tax changes affecting any Class of Notes, including in the event that the Issuer is or will be obliged to make any withholding or deduction from payments in respect of any Class of Notes the Issuer (whilst not under any obligation to pay additional amounts in respect of any withholding or deduction) may (but is not obliged to) redeem all of the Notes, in whole but not in part, at their Principal Amount Outstanding together with accrued but unpaid interest thereon up to and including the date of redemption, subject to and in accordance with the Conditions, including, without limitation, 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 at their respective Principal Amount Outstanding together with accrued interest, at the same time.

Method of Payment:

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

Withholding tax:

All payments of, or in respect of, principal and interest on the Notes will be made without withholding of, or deduction for 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 be obliged to pay any additional amounts to such Noteholders.

Use of proceeds:

The Issuer will apply the net proceeds from the issue of the Notes (other than the Subordinated Class E Notes) towards payment of part of the Initial Purchase Price for the Mortgage Receivables (both as described below) purchased by the Issuer on the Closing Date pursuant to the provisions of an agreement (the "**Mortgage Receivables Purchase Agreement**") to be entered into on 5 April 2012 (the "**Signing Date**") and made between the Seller, the Issuer and the Security Trustee. See further section *Mortgage Receivables Purchase Agreement* below.

The net proceeds from the issue of the Subordinated Class E Notes will be used to fund the Reserve Account (as defined below).

Security for the Notes:

The Noteholders will benefit from the security created by the Issuer in favour of the Security Trustee pursuant to the trust deed entered into on the Signing Date between the Issuer, the Security Trustee and Stichting Holding STORM 2012-II (the "**Trust Deed**") and the Pledge Agreements (as defined in section *Description of Security* below) (together with the Trust Deed, the "**Security Documents**").

Under the Trust Deed, the Issuer will undertake to pay to the Security Trustee, under the same terms and conditions, an amount equal to the aggregate of all its undertakings, liabilities and obligations to the Managers as initial Noteholders, the Directors, the Servicer, the Issuer Administrator, the Paying Agents, the Reference Agent, the Savings Mortgage Participants, the Liquidity Facility Provider, the Swap Counterparty, the Back-Up Swap Counterparty, the Noteholders and the Seller (the "**Security Beneficiaries**") pursuant to the relevant Transaction Documents, provided that every payment in respect of such Transaction Documents for the account of or made to the Security Beneficiaries directly shall operate in satisfaction pro tanto of the

corresponding covenant in favour of the Security Trustee (such a payment undertaking and the obligations and liabilities resulting from it being referred to as the "**Parallel Debt**").

The Notes will be secured indirectly, through the Security Trustee, by (i) a first ranking pledge granted by the Issuer to the Security Trustee over the Mortgage Receivables, including all rights ancillary thereto in respect of the Portfolio Mortgage Loans and the Beneficiary Rights (as defined below) relating thereto and (ii) a first ranking pledge by the Issuer to the Security Trustee over the Issuer's rights under or in connection with the Mortgage Receivables Purchase Agreement, the Swap Agreement, the Conditional Deed of Novation, the Servicing Agreement, the Floating Rate GIC, the Liquidity Facility Agreement, the Sub-Participation Agreements, the Beneficiary Waiver Agreement, the Commingling Guarantee, the Construction Deposits Guarantee and in respect of the GIC Accounts (as defined below).

The amounts payable by the Security Trustee to the Security Beneficiaries under the Trust Deed will be limited to the net amounts available for such purpose to the Security Trustee which, for the greater part, will consist of amounts recovered by the Security Trustee from the Mortgage Receivables. Payments to the Security Beneficiaries (other than the Savings Mortgage Participants) will be made in accordance with the Post-Enforcement Priority of Payments (as defined in section *Credit Structure* below). See for a more detailed description section *Description of Security* below.

MORTGAGE RECEIVABLES AND PRINCIPAL CONTRACTS

Mortgage Receivables:

Under the Mortgage Receivables Purchase Agreement, the Issuer will purchase and accept the assignment of any and all rights and claims (the "**Mortgage Receivables**", which will include any Further Advance Receivables and any Replacement Receivables and, for the avoidance of doubt, including any parts thereof corresponding with amounts placed on Construction Deposits (all as defined below) of the Seller against certain borrowers (the "**Borrowers**")) under or in connection with certain selected mortgage loans (which may consist of one or more loan parts (*leningdelen*)) originated by the Seller and that are secured by a right of mortgage (*hypotheekrecht*) (each such right of mortgage a "**Mortgage Right**" and each such loan a "**Mortgage Loan**"). The Mortgage Receivables resulting from Life Mortgage Loans, Investment Mortgage Loans, Savings Mortgage Loans, Switch Mortgage Loans and Bank Savings Mortgage Loans (each as defined below) will

hereinafter be referred to as the "**Life Mortgage Receivables**", "**Investment Mortgage Receivables**", "**Savings Mortgage Receivables**", "**Switch Mortgage Receivables**" and "**Bank Savings Mortgage Receivables**", respectively.

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

Further Advances: A portion of the Mortgage Receivables is secured by Mortgage Rights that will also secure any further advances to be granted by the Seller to the relevant Borrower whereby further advances include: (i) further advances made under a Mortgage Loan which will be secured by the same Mortgage Right as the loan previously disbursed under such Mortgage Loan (*verhoogde inschrijving)*, (ii) further advances made under a Mortgage Loan which will be secured by a second or sequentially lower ranking Mortgage Right as the loan previously disbursed under such Mortgage Loan (*verhoging)* and (iii) withdrawals of monies which were previously repaid to redeem the Mortgage Loan (*heropname*) ((i), (ii) and (iii) hereinafter collectively defined a "**Further Advance**"). The Mortgage Receivables Purchase Agreement provides that as from the Closing Date up to and including the Quarterly Payment Date immediately preceding the First Optional Redemption Date, if, subject to the terms and conditions of the relevant Mortgage Loan (the "**Mortgage Conditions**") the Seller has agreed with a Borrower to grant a Further Advance, the Issuer will purchase and accept assignment of the mortgage receivables resulting from the granting of such Further Advance (the "**Further Advance Receivables**") and the Beneficiary Rights relating thereto on the next succeeding Quarterly Payment Date provided, however, that the Further Advance Criteria are met (as described under section *Mortgage Receivables Purchase Agreement* below) and the Issuer has sufficient funds available for payment of the Initial Purchase Price for the Further Advance Receivables.

The Issuer will, subject to and in accordance with the Conditions and subject to the applicable priority of payments, apply the Notes Principal Available Amounts or part thereof towards payment of the Initial Purchase Price for the Further Advance Receivables (as described in section *Mortgage Receivables Purchase Agreement* below).

When a Further Advance is granted to the relevant Borrower and the Issuer purchases and accepts assignment of the relevant Further Advance Receivable and the Beneficiary Rights relating thereto, the Issuer will at the same time create a first right of pledge on such Further Advance Receivable and the Beneficiary Rights relating thereto in favour of the Security Trustee.

If, *inter alia*, (i) the Further Advance Receivables do not meet the Further Advance Criteria or (ii) the Issuer does not have sufficient funds available for payment of the purchase price for the Further Advance Receivables, the Seller shall repurchase and accept the re-assignment of the Mortgage Receivables resulting from the Portfolio Mortgage Loan (as defined below) in respect of which a Further Advance is granted and the Beneficiary Rights relating thereto.

Replacement Receivables:

The Mortgage Receivables Purchase Agreement provides that if any of the representations and warranties relating to the Portfolio Mortgage Loans and the Mortgage Receivables proves to have been untrue or incorrect, the Seller shall, if such matter is not capable of being remedied or is not remedied in accordance with the terms of the Mortgage Receivables Purchase Agreement, at the Seller's expense, repurchase and accept re-assignment of the relevant Mortgage Receivable for a price equal to the outstanding principal amount of such Mortgage Receivable together with interest accrued up to but excluding the date of repurchase and re-assignment (each such amount (exclusive of the interest amounts and the costs) a "**Replacement Available Amount**"). Up to and including the Quarterly Payment Date immediately preceding the First Optional Redemption Date, the Issuer will on the Quarterly Payment Date immediately following the date of repurchase apply the Notes Principal Available Amounts up to the aggregate Replacement Available Amounts to purchase and accept assignment from the Seller any additional mortgage receivables ("**Replacement Receivables**") and the Beneficiary Rights relating thereto, subject to the fulfilment of certain conditions and to the extent offered by the Seller. Such conditions include, *inter alia*, the requirement that any Replacement Receivables should meet the Mortgage Loan Criteria (as defined below) set forth in the Mortgage Receivables Purchase Agreement and that

the Mortgage Loans to which such Replacement Receivables relate are fully disbursed (i.e. do not qualify as construction mortgages (*bouwhypotheken*), see *Construction Deposits* below) (see section *Mortgage Receivables Purchase Agreement* below).

When the Issuer purchases and accepts assignment of the relevant Replacement Receivable and Beneficiary Rights relating thereto, the Issuer will at the same time create a first right of pledge on such Replacement Receivable and the Beneficiary Rights relating thereto in favour of the Security Trustee.

Repurchase of Mortgage Receivables:

In the Mortgage Receivables Purchase Agreement the Seller has undertaken to repurchase and accept re-assignment of a Mortgage Receivable sold by it to the Issuer:

(i) within 14 days immediately following the expiration of the relevant remedy period (if any), if any of the representations and warranties given by the Seller in respect of the relevant Portfolio Mortgage Loan and/or the relevant Mortgage Receivable, including the representation and warranty that the Portfolio Mortgage Loan or, as the case may be, the Mortgage Receivable meets certain mortgage loan criteria, are untrue or incorrect;

(ii) on the Quarterly Payment Date immediately following the date on which the Seller agrees with a Borrower to grant a Further Advance under the relevant Portfolio Mortgage Loan, *inter alia*, if and to the extent that the Further Advance Receivables do not meet the Further Advance Criteria;

(iii) within 14 days immediately following the date on which an amendment of the terms of the Portfolio Mortgage Loan becomes effective as a result of which such Portfolio Mortgage Loan no longer meets certain criteria set forth in the Mortgage Receivables Purchase Agreement and/or the Servicing Agreement, unless such amendment is made as part of the enforcement procedures to be complied with upon a default by the Borrower under the relevant Portfolio Mortgage Loan or is otherwise made as part of a restructuring or renegotiation of the relevant Portfolio Mortgage Loan due to a deterioration of the credit quality of the Borrower of such Portfolio Mortgage Loan;

(iv) within 14 days immediately following the date on which subject to the terms of a Switch Mortgage Loan, a switch by a Borrower of whole or part of the premiums deposited into the Switch Savings Account (as defined below) into an investment in one or more Switch Investment

Funds (as defined below) becomes effective;

(v) within 14 days immediately following the date on which it appears that a NHG Mortgage Loan Part forming part of the relevant Portfolio Mortgage Loan no longer has the benefit of a NHG Guarantee for the full amount of the NHG Mortgage Loan Part as adjusted in accordance with the NHG Conditions as a result of an action taken or omitted to be taken by the Seller or the Servicer; and

(vi) within 14 days immediately following the date on which the Seller has notified the Issuer that, while it is entitled to make a claim under the NHG Guarantee, will not make such claim.

In addition, the Seller may (without the obligation to do so) repurchase and accept re-assignment of all (but not only part of) the Mortgage Receivables on any Quarterly Payment Date on which the principal amount due on the Mortgage Receivables then outstanding is less than 10 per cent. of the principal amount of the Mortgage Receivables on the Closing Date (the "**Seller Clean-up Call Option**"). The purchase price will be calculated as described in *Sale of Mortgage Receivables* below.

Portfolio Mortgage Loans:

The Mortgage Receivables to be sold by the Seller pursuant to the Mortgage Receivables Purchase Agreement will result from Mortgage Loans which (i) in respect of NHG Mortgage Loan Parts (as defined below) have the benefit of a NHG Guarantee (as defined below) and/or (ii) are secured by a first-ranking mortgage right or, in case of mortgage loans (for the avoidance of doubt including any Further Advance, as the case may be) secured on the same Mortgaged Asset, first and sequentially lower ranking mortgage rights over (i) real estate (*onroerende zaak*), (ii) an apartment right (*appartementsrecht*), or (iii) a long lease (*recht van erfpacht*) (each such asset, a "**Mortgaged Asset**") situated in the Netherlands and entered into by the Seller and the Borrowers which meet the criteria for such Mortgage Loans set forth in the Mortgage Receivables Purchase Agreement (the "**Portfolio Mortgage Loans**"). The Portfolio Mortgage Loans, in whole or in part, will consist of (i) Linear Mortgage Loans (*lineaire hypotheken*), (ii) Interest-only Mortgage Loans (*aflossingsvrije hypotheken*), (iii) Annuity Mortgage Loans (*annuïteitenhypotheken*), (iv) Life Mortgage Loans (*levenhypotheken*), (v) Investment Mortgage Loans (*beleggingshypotheken)*, (vi) Savings Mortgage Loans (*spaarhypotheken*), (vii) Switch Mortgage Loans (*switchhypotheken*) or (viii) Bank Savings Mortgage Loans (*bankspaarhypotheken*) (all as defined below). See further section *Description of Portfolio Mortgage Loans* below.

Each Portfolio Mortgage Loan shall have the benefit of a risk insurance policy (i.e. an insurance policy which pays out upon the death of the insured) (a "**Risk Insurance Policy**") taken out by the Borrower with an insurance company established in the Netherlands (each insurance company so selected and each of ASR and Interpolis, an "**Insurance Company**" and collectively the "**Insurance Companies**") in the event and to the extent the relevant Portfolio Mortgage Loan exceeds 100 per cent. of the foreclosure value of the relevant property (*executiewaarde*), except in the event of NHG Mortgage Loan Parts which do not include a Life Mortgage Loan, Savings Mortgage Loan or Switch Mortgage Loan which will have the benefit of a separate Risk Insurance Policy in the event and to the extent the relevant Portfolio Mortgage Loan exceeds 80 per cent. of the value of the relevant property. In the case of Portfolio Mortgage Loans consisting of more than one loan part including a Life Mortgage Loan, Savings Mortgage Loan or Switch Mortgage Loan such Risk Insurance Policy will be included in the relevant Life Insurance Policy, Savings Insurance Policy or Savings Investment Insurance Policy (all as defined below).

NHG Mortgage Loan Parts:

A portion of the Portfolio Mortgage Loans consists of one or more loan parts (*leningdelen*) which have the benefit of a guarantee under the '*Nationale Hypotheek Garantie*' (each an "**NHG Guarantee**") (hereinafter a "**NHG Mortgage Loan Part**"). See further *Table M* under section *Description of Portfolio Mortgage Loans* and under section *NHG Guarantee Programme* below.

Linear Mortgage Loans:

A portion of the Portfolio Mortgage Loans or parts thereof will be in the form of linear mortgage loans (hereinafter "**Linear Mortgage Loans**"). Under a Linear Mortgage Loan the Borrower pays a fixed amount of principal each month towards redemption of the relevant Mortgage Loan (or relevant part thereof) until maturity. Interest is payable monthly and is calculated on the outstanding balance of the Mortgage Loan (or relevant part thereof).

Interest-only Mortgage Loans: A portion of the Portfolio Mortgage Loans or parts thereof will be in the form of interest-only mortgage loans (hereinafter "**Interest-only Mortgage Loans**"). Under an Interest-only Mortgage Loan, the Borrower is not obliged to pay principal towards redemption of the relevant Mortgage Loan (or relevant part thereof) until maturity. Interest is payable monthly and is calculated on the outstanding balance of the Mortgage Loan (or relevant part thereof).

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

Life Mortgage Loans: A portion of the Portfolio Mortgage Loans or parts thereof will be in the form of life mortgage loans (hereinafter "**Life Mortgage Loans**"), i.e. mortgage loans which have the benefit of insurance policies combining a risk insurance and a capital insurance (i.e. insurance policies that pay out upon the earlier of the death of the insured and on an agreed date) taken out by a Borrower with an Insurance Company in connection with a Life Mortgage Loan ("**Life Insurance Policies**"). Under a Life Mortgage Loan, no principal is paid until maturity but instead the Borrower pays a premium to the relevant Insurance Company on a monthly basis. The premiums paid by such Borrower are invested by the relevant Insurance Company in certain investment funds. It is the intention that a Life Mortgage Loan will be fully repaid by means of the proceeds of the relevant Life Insurance Policy. The Life Insurance Policies are pledged to the Seller. See for more detail sections *Risk Factors* and *Description of Portfolio Mortgage Loans*.

Investment Mortgage Loans: A portion of the Portfolio Mortgage Loans or parts thereof will be in the form of investment mortgage loans (hereinafter "**Investment Mortgage Loans**"), i.e. mortgage loans under which the Borrower does not pay principal prior to the maturity of the mortgage loan, but instead undertakes to invest, on an instalment basis or up front, defined amounts in certain investment funds. The amounts invested take the form of participations in the investment funds

selected by the Borrower and are credited to an investment account in the name of the relevant Borrower (the "**Investment Account**"). It is the intention that an Investment Mortgage Loan will be fully repaid with the proceeds of the investments held in the relevant Investment Account. The Investment Accounts are pledged to the Seller. See for more detail sections *Risk Factors* and *Description of Portfolio Mortgage Loans*.

Savings Mortgage Loans:

A portion of the Portfolio Mortgage Loans or parts thereof will be in the form of savings mortgage loans (hereinafter "**Savings Mortgage Loans**") which consist of mortgage loans entered into by the Seller and the relevant Borrowers combined with a savings insurance policy (a "**Savings Insurance Policy**"). A Savings Insurance Policy consists of a combined risk and capital insurance policy taken out by a Borrower with ASR or Interpolis in connection with the relevant Savings Mortgage Loan. Under a Savings Mortgage Loan no principal is paid by the Borrower prior to the maturity of the loan. Instead, the Borrower pays a 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 due by the relevant Insurance Company to the relevant Borrower will be equal to the amount due by the Borrower to the Seller at maturity of the Savings Mortgage Loan. It is the intention that the Savings Mortgage Loans will be fully repaid by means of the proceeds of the Savings Insurance Policies. The Savings Insurance Policies are pledged to the Seller. See for more detail sections *Risk Factors* and *Description of the Portfolio Mortgage Loans*.

In respect of the Savings Mortgage Loans to which a Savings Insurance Policy of ASR is connected, ASR will, as Insurance Savings Mortgage Participant, agree to use the amount of the Savings Premiums scheduled to be received by it (and the interest received on the Savings Participation) to acquire a Savings Participation (as defined in section *Sub-Participation Agreements* below) in the relevant Savings Mortgage Receivables.

In respect of the Savings Mortgage Loans to which a Savings Insurance Policy of Interpolis is connected, Obvion will, as Insurance Savings Mortgage Participant, agree to use an amount equal to the amount of the Savings Premiums scheduled to be received by Interpolis (and the interest received on the Savings Participation) to acquire a Savings Participation in the relevant Savings Mortgage Receivables.

Switch Mortgage Loans:

A portion of the Portfolio Mortgage Loans or parts thereof will be in the form of switch mortgage loans (hereinafter "**Switch Mortgage Loans**") which are offered by the Seller under the name of Obvion Switchhypotheek. Under a Switch Mortgage Loan the Borrower does not pay principal prior to maturity of the Mortgage Loan, but instead takes out a combined risk and capital insurance policy (a "**Savings Investment Insurance Policy**") with Interpolis whereby part of the premiums paid is invested in certain investment funds selected by the Borrower (each a "**Switch Investment Fund**") and/or deposited into an account held in the name of Interpolis with the Seller (a "**Switch Savings Account**"). The Borrowers may at any time switch (*omzetten*) their investments among the Switch Investment Funds and to and from the Switch Savings Account. The premiums (or part thereof) paid by the Borrowers under the Savings Investment Insurance Policies and deposited into a Switch Savings Account are hereinafter referred to as "**Savings Investment Premiums**". It is the intention that the Switch Mortgage Loans will be fully repaid by means of the proceeds of the Savings Investment Insurance Policies. The Savings Investment Insurance Policies are pledged to the Seller. See for more detail sections *Risk Factors* and *Description of Portfolio Mortgage Loans*.

Obvion will, as Insurance Savings Mortgage Participant, agree to use an amount equal to the amount of the Savings Investment Premiums scheduled to be received by Interpolis (and the interest received on the Savings Participation) to acquire a Savings Participation in the Switch Mortgage Receivables.

Bank Savings Mortgage Loans:

A portion of the Portfolio Mortgage Loans or parts thereof will be in the form of bank savings mortgage loans (hereinafter "**Bank Savings Mortgage Loans**") which consist of mortgage loans entered into by the Seller and the relevant Borrowers combined with a blocked savings account (each a "**Bank Savings Account**") held by such Borrowers with Robeco Direct N.V. (the "**Bank Savings Account Bank**"). Under a Bank Savings Mortgage Loan no principal is paid by the Borrower prior to the maturity of the loan. Instead, the Borrower on a monthly basis pays a deposit into the relevant Bank Savings Account (the "**Bank Savings Deposit**"). The Bank Savings Deposit is calculated in such a manner that, on an annuity basis, the balance standing to the credit of the Bank Savings Account at maturity of the associated Bank Savings Mortgage Loan will be equal to the amount due by the Borrower to the Seller at maturity of such Bank Savings Mortgage Loan. It is the intention that the Bank Savings Mortgage Loans will be fully repaid by the balance standing to the credit of the Bank Savings Accounts. The Bank Savings Accounts are pledged to the Seller and subsequently re-pledged to the Bank Savings Account Bank. See for more detail sections *Risk Factors* and *Description of the Portfolio Mortgage Loans*.

Obvion will, as Bank Savings Mortgage Participant, agree to use an amount equal to the amount of the Bank Savings Deposits scheduled to be received by the Bank Savings Account Bank (and the interest received on the Savings Participation) to acquire a Savings Participation in the Bank Savings Mortgage Receivables. See for more detail section *Sub-Participation Agreements*.

Sub-Participation Agreements:

The Issuer will enter into a sub-participation agreement with each of the Insurance Savings Mortgage Participants (each an "**Insurance Savings Sub-Participation Agreement**") under which each of the Insurance Savings Mortgage Participants will acquire participations in the relevant Savings Mortgage Receivables and Obvion as Insurance Savings Mortgage Participant will acquire participations in the Switch Mortgage Receivables if and to the extent the Borrowers invest part of the premiums paid on the relating Savings Investment Insurance Policy by making a deposit into the Switch Savings Account (see further *Savings Mortgage Loans and Switch Mortgage Loans* under section *Risk Factors* below). In each of the Insurance Savings Sub-Participation Agreements the relevant Insurance Savings Mortgage Participant will undertake to pay to the Issuer an amount equal to the sum of all amounts scheduled to be received as Savings Premiums on the relevant Savings

Insurance Policies or as Savings Investment Premiums on the relevant Savings Investment Insurance Policies, as well as the amounts switched under Savings Investment Policies from investments in certain investment funds to a Switch Savings Account during the Portfolio Calculation Period immediately preceding such Portfolio Payment Date (the "**Switched Savings Participation**").

In return, the Insurance Savings Mortgage Participants are entitled to receive the Insurance Savings Participation Redemption Available Amount (as defined in section *Sub-Participation Agreements* below) from the Issuer. The amount of the Savings Participation with respect to a Savings Mortgage Receivable and a Switch Mortgage Receivable consists of (a) the initial participation at the Closing Date, or, in case of the purchase of a Further Advance Receivable or a Replacement Receivable to which a Savings Insurance Policy or Savings Investment Insurance Policy is connected, on the relevant Quarterly Payment Date, which is equal to the sum of all amounts scheduled to be received up to such date by the relevant Insurance Company as Savings Premiums or Savings Investment Premiums in respect of such Mortgage Receivables and accrued interest, plus, in case of a Savings Investment Insurance Policy, the Switched Savings Participation, if any, (b) increased on a monthly basis with an amount equal to the sum of (i) the Savings Premiums or Savings Investment Premiums scheduled to be received from the relevant Borrowers and paid by the relevant Insurance Savings Mortgage Participant to the Issuer and (ii) a pro rata part, corresponding to the Savings Participation in the relevant Savings Mortgage Receivable or Switch Mortgage Receivable, of the interest paid by the Borrower in respect of such Savings Mortgage Receivable or Switch Mortgage Receivable. The aggregate initial participations with respect to the Savings Mortgage Receivables and Switch Mortgage Receivables purchased by the Issuer on the Closing Date amounts to 11,988,939.88. See further section *Sub-Participation Agreements* below.

Furthermore, the Issuer will enter into a sub-participation agreement with the Bank Savings Mortgage Participant (the "**Bank Savings Sub-Participation Agreement**" and together with the Insurance Savings Sub-Participation Agreements, the "**Sub-Participation Agreements**") under which the Bank Savings Mortgage Participant will acquire participations in the Bank Savings Mortgage Receivables (see further *Bank Savings Mortgage Loans* under section *Risk Factors* above). In the Bank Savings Sub-Participation Agreement the Bank Savings Mortgage Participant will undertake to pay to the Issuer an amount equal to the sum of all amounts scheduled to be received by the Bank Savings Account Bank as Bank Savings Deposits.

In return, the Bank Savings Mortgage Participant is entitled to receive the Bank Savings Participation Redemption Available Amount (as defined in section *Sub-Participation Agreements* below) from the Issuer. The amount of the Savings Participation with respect to a Bank Savings Mortgage Receivable consists of (a) the initial participation at the Closing Date, or, in case of the purchase of a Further Advance Receivable or a Replacement Receivable to which a Bank Savings Accounts is connected, on the relevant Quarterly Payment Date, which is equal to the sum of all amounts scheduled to be received up to such date by the Bank Savings Account Bank as Bank Savings Deposits in respect of such Mortgage Receivables and accrued interest, (b) increased on a monthly basis with an amount equal to the sum of (i) the Bank Savings Deposits scheduled to be received from the relevant Borrowers and paid by the Bank Savings Mortgage Participant to the Issuer and (ii) a pro rata part, corresponding to the Savings Participation in the relevant Bank Savings Mortgage Receivable, of the interest paid by the Borrower in respect of such Bank Savings Mortgage Receivable. The aggregate initial participations with respect to the Bank Savings Mortgage Receivables purchased by the Issuer on the Closing Date amounts to € 1,143,097.12. See further section *Sub-Participation Agreements* below.

Construction Deposits:

Pursuant to the Mortgage Conditions, in respect of certain Portfolio Mortgage Loans, the Borrower has the right to request that part of the Portfolio Mortgage Loan will be applied towards construction of, or improvements to, the relevant Mortgaged Asset. In that case the Borrower has placed part of the monies drawn down under the Portfolio Mortgage Loan on deposit with the Seller, and the Seller has committed to pay out such deposits to or on behalf of the relevant Borrowers in order to enable them to pay for construction of, or improvements to, the relevant Mortgaged Asset, provided certain conditions are met (such mortgages are called construction mortgages

(*bouwhypotheken*)). The aggregate amount of the deposits placed with the Seller in connection with these construction mortgages (the "**Construction Deposits**") as at the Portfolio Cut-Off Date is € 605,741.87.

Pursuant to the terms and conditions (*Voorwaarden en Normen*) of the NHG Guarantee (the "**NHG Conditions**"), a Construction Deposit has to be paid out after the building activities or renovation activities have been finalised. If the remaining Construction Deposit exceeds € 2,500 such Construction Deposit will be set-off against the Mortgage Receivable up to the amount of the Construction Deposit, in which case the Seller will pay the amount of the relevant Construction Deposit to the Issuer to form part of the Notes Principal Available Amounts on the next succeeding Quarterly Payment Date. Pursuant to the NHG Conditions, if the remaining Construction Deposit is less than € 2,500, the Seller has the right to pay out the remaining amount to the relevant Borrower.

If following the occurrence of an Assignment Notification Event (as defined in section *Mortgage Receivables Purchase Agreement* below) a Borrower invokes a right of set-off of the amount due under the Portfolio Mortgage Loan with the outstanding amount payable to it under or in connection with the Construction Deposit, the Issuer shall be entitled to invoke the Construction Deposits Guarantee (as defined above) in which case Rabobank in its capacity as construction deposits guarantor (the "**Construction Deposits Guarantor**") shall promptly pay to the Issuer an amount equal to the outstanding payment obligations of the Seller to the Borrower with respect to the relevant Construction Deposits (if any) in relation to which the Borrower has claimed such right of set-off.

Sale of Mortgage Receivables:

On any Optional Redemption Date the Issuer has the right to sell and assign all (but not only part of) the Mortgage Receivables to any party. The Issuer shall be required to apply the proceeds of such sale, to the extent relating to principal, towards redemption of the Notes, other than the Subordinated Class E Notes.

The purchase price of a Mortgage Receivable shall be at least equal to the outstanding principal amount of such Mortgage Receivable, together with accrued interest due but unpaid and any other amount due under the relevant Portfolio Mortgage Loan, 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 equal to (a) the outstanding principal amount, together with accrued interest due but unpaid and any other amount

due under the relevant Portfolio Mortgage Loan, or (b) if less, an amount equal to (i) the foreclosure value of the Mortgaged Asset or, (ii) if no valuation report less than 12 months old is available, the Indexed Foreclosure Value or (c) in respect of the NHG Mortgage Loan Parts only if higher than (b), the aggregate of (i) the principal amount reduced on a monthly basis by an amount which is equal to the monthly payments of principal as if the NHG Mortgage Loan Part were being repaid on a 30 year annuity basis, (ii) accrued interest due but unpaid and (iii) any other amount due under the relevant NHG Mortgage Loan Part and provided that the purchase price to be received shall be sufficient to redeem the Senior Class A Notes, subject to and in accordance with the Conditions, at their Principal Amount Outstanding plus accrued but unpaid interest thereon.

For these purposes "**Indexed Foreclosure Value**" means the foreclosure value of the relevant Mortgaged Asset as determined upon origination of the relevant Portfolio Mortgage Loan multiplied by the transaction price (*transactieprijs*) for such Mortgaged Asset as published by the Dutch Association of Real Estate Brokers and Immovable Property Experts (*Nederlandse Vereniging van Makelaars en vastgoeddeskundigen* (NVM)) as at the date on which the purchase price is determined divided by the transaction price for such Mortgaged Asset which was applicable at the date of determination of the above mentioned foreclosure value.

Servicing Agreement:

Under a servicing agreement to be entered into on the Signing Date between the Issuer, the Servicer and the Security Trustee (the "**Servicing Agreement**"), the Servicer will agree to provide administration and management services in relation to the Portfolio 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 Portfolio Mortgage Loans and the implementation of arrears procedures including, if applicable, the enforcement of Mortgage Rights (see further sections *Mortgage Loan Underwriting and Servicing* and *Servicing Agreement and Issuer Administration Agreement* below). The Servicer has appointed Stater Nederland B.V. as its sub-servicer under the terms of the Servicing Agreement.

Issuer Administration Agreement:

Under an administration agreement to be entered into on the Signing Date between the Issuer, the Issuer Administrator and the Security Trustee (the

"**Issuer Administration Agreement**"), the Issuer Administrator will agree to provide certain administration, calculation and cash management services for the Issuer on a day-to-day basis, including without limitation, all calculations to be made in respect of the Notes pursuant to the Conditions (see further section *Servicing Agreement and Issuer Administration Agreement* below).

Management Agreements: The Issuer, Stichting Holding STORM 2012-II and the Security Trustee will each enter into a management agreement (together the "**Management Agreements**") with the relevant Director in which the relevant Director will undertake to act as a director of the Issuer, Stichting Holding STORM 2012-II and the Security Trustee, respectively, and to perform certain services in connection therewith.

Security Beneficiaries Agreement: Under a security beneficiaries agreement to be entered into on the Signing Date between the Issuer, the Security Trustee and each Security Beneficiary (excluding the Noteholders) (the "**Security Beneficiaries Agreement**") each Security Beneficiary agrees and confirms that the security provided pursuant to the provisions of the Security Documents shall, indirectly, through the Security Trustee, be for the exclusive benefit of the Security Beneficiaries (including for the avoidance of doubt, the Noteholders). Under the Security Beneficiaries Agreement each Security Beneficiary moreover agrees to be bound by the relevant terms and provisions of the Trust Deed including, but not limited to, the limited recourse and non-petition provisions contained therein.

CASH FLOW STRUCTURE:

Transaction Account: The Issuer shall maintain with the Floating Rate GIC Provider an account (the "**Transaction Account**") to which, *inter alia*, all amounts of interest, prepayment penalties and principal received under the Mortgage Receivables will be transferred by the Seller (or the Servicer on its behalf) in accordance with the Servicing Agreement.

Reserve Account: The Issuer shall maintain with the Floating Rate GIC Provider an account (the "**Reserve Account**") to which the proceeds of the Subordinated Class E Notes will be credited on the Closing Date. The purpose of the Reserve Account will be to enable the Issuer to meet the Issuer's payment obligations under items (a) up to and including (n) of the Interest Priority of Payments (as

defined in section *Credit Structure* below) in the event of a shortfall of the Notes Interest Available Amounts (as defined in section *Credit Structure* below) on any Quarterly Payment Date. If and to the extent that the Notes Interest Available Amounts calculated on any Notes Calculation Date (as defined below) exceed the amounts required to meet items (a) up to and including (n) of the Interest Priority of Payments, such excess amount will be deposited in or, as the case may be, used to replenish the Reserve Account by crediting such amount to the Reserve Account up to the required reserve account target level (the "**Reserve Account Target Level**") on the immediately succeeding Quarterly Payment Date. The Reserve Account Target Level will on any Notes Calculation Date be equal to 1.30 per cent. of the aggregate Principal Amount Outstanding of the Notes (excluding the Subordinated Class E Notes) as at the Closing Date.

Liquidity Facility Agreement: On the Signing Date, the Issuer will enter into a 364-day term liquidity facility agreement with the Liquidity Facility Provider (the "**Liquidity Facility Agreement**") under which the Issuer will be entitled to make drawings in order to meet certain shortfalls in the Notes Interest Available Amounts. See under section *Credit Structure* below.

Liquidity Facility Account: The Issuer shall maintain with the Liquidity Facility Provider an account (the "**Liquidity Facility Account**") through which, *inter alia*, all drawings to be made under the Liquidity Facility (as defined below) will be administered. Each such drawing made under the Liquidity Facility Agreement (other than a Liquidity Facility Stand-by Drawing (as defined below)) shall subsequently be deposited into the Transaction Account.

Liquidity Facility Stand-by Drawing Account: The Issuer shall maintain with the Floating Rate GIC Provider an account (the "**Liquidity Facility Stand-by Drawing Account**") into which any Liquidity Facility Stand-by Drawing (as defined below) to be made under the Liquidity Facility Agreement will be deposited.

Floating Rate GIC: The Issuer, the Floating Rate GIC Provider and the Security Trustee will enter into a guaranteed investment contract (the "**Floating Rate GIC**"), under which the Floating Rate GIC Provider will agree to pay a guaranteed rate of interest determined by reference to (i) Eonia on the balance standing from time to time

to the credit of the Transaction Account and the Reserve Account and (ii) 3-month Euribor on the balance standing from time to time to the credit of the Liquidity Facility Stand-by Drawing Account (the Transaction Account, the Reserve Account and the Liquidity Facility Stand-by Drawing Account being collectively referred to as the "**GIC Accounts**").

Swap Agreement: On the Signing Date, the Issuer, the Security Trustee and the Swap Counterparty will enter into a swap agreement (the "**Swap Agreement**") 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. See further under section *Credit Structure* below. If the Swap Counterparty fails to make, when due, any payment to the Issuer under the Swap Agreement or is declared bankrupt (*failliet*), the Swap Agreement shall be novated to the Back-Up Swap Counterparty pursuant to the Conditional Deed of Novation.

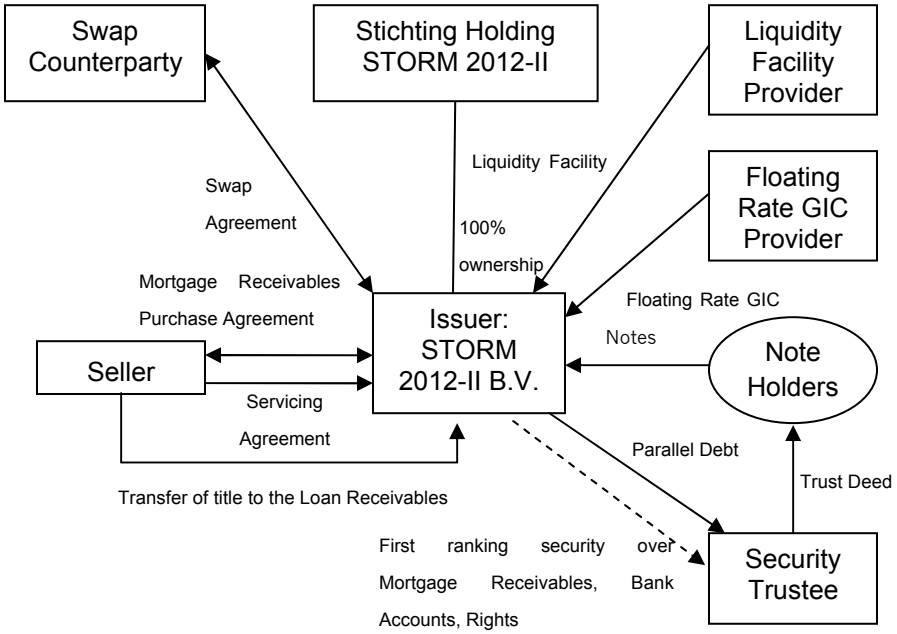
OTHER:

Listing: Application has been made to list the Notes on Euronext Amsterdam. Listing is expected to take place on or about 11 April 2012.

Rating: It is a condition precedent to issuance that, upon issue, the Senior Class A1 Notes be assigned an 'Aaa (sf)' rating by Moody's and an 'AAA (sf)' rating by S&P, the Senior Class A2 Notes, upon issue, be assigned an 'Aaa (sf)' rating by Moody's and an 'AAA (sf)' rating by S&P, the Mezzanine Class B Notes, upon issue, be assigned an 'Aa1 (sf)' rating by Moody's and an 'AA+ (sf)' rating by S&P, the Mezzanine Class C Notes, upon issue, be assigned an 'Aa3 (sf)' rating by Moody's and an 'A (sf)' rating by S&P, the Junior Class D Notes, upon issue, be assigned an 'A2 (sf)' rating by Moody's and a 'BBB (sf)' rating by S&P, and the Subordinated Class E Notes, upon issue, be assigned a 'Ba1 (sf)' rating by Moody's. The identifier "sf" stands for "structured finance". The addition of the identifier (sf) indicates only that the instrument is deemed to meet the regulatory definition of "structured finance" as referred to in the CRA Regulation. In no way does it modify the meaning of the rating itself.

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

Structure Diagram: The transaction set out in this Offering Circular can be depicted as follows:



CREDIT STRUCTURE

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

Use of Proceeds

The Issuer will use the net proceeds from the issue of the Notes (other than the Subordinated Class E Notes) to pay part of the Initial Purchase Price for the Mortgage Receivables purchased by the Issuer on the Closing Date. The net proceeds of the Subordinated Class E Notes will be used to fund the Reserve Account.

Mortgage Loan Interest Rates

The Mortgage Loans pay interest on a floating rate basis or fixed rate basis, subject to a reset from time to time. On 31 March 2012 (the "**Portfolio Cut-Off Date**"), the weighted average interest rate of the Portfolio (as defined below) amounted to 4.91 per cent. The weighted average remaining interest reset period is 96.7 months. Interest rates vary among individual Portfolio Mortgage Loans. The range of interest rates is described further in section *Description of Portfolio Mortgage Loans* below.

Cash Collection Arrangements

Payments by the Borrowers under the Portfolio Mortgage Loans are collected by means of direct debit on or about the second Business Day before the end of each calendar month. All payments made by Borrowers will be paid into the relevant bank accounts maintained by the Seller (collectively the "**Collection Accounts**"). On the Closing Date the balances on these accounts are not pledged to any party, other than to the banks at which the accounts are established pursuant to the applicable general terms and conditions. The Collection Accounts will also be used for the collection of monies paid in respect of mortgage loans other than Portfolio Mortgage Loans and in respect of other monies belonging to the Seller.

On the 10th Business Day of each calendar month (each a "**Portfolio Payment Date**"), the Seller shall transfer (or procure that the Servicer shall transfer on its behalf) all amounts of principal, interest, interest penalties and prepayment penalties received by the Seller in respect of the Portfolio Mortgage Loans and paid to the Seller's Collection Accounts during the immediately preceding Portfolio Calculation Period (being the period commencing on (and including) the first day of each calendar month and ending on (but excluding) the first day of the next succeeding calendar month) to the Transaction Account. The Commingling Guarantor will guarantee the payment by the Seller to the Transaction Account of the amounts received by the Seller up to a maximum of € 27,000,000 subject to the guarantee entered into between the Issuer, the Security Trustee, the Seller and the Commingling Guarantor dated the Signing Date (the "**Commingling Guarantee**").

If at any time (i) the long-term unsecured, unsubordinated and unguaranteed debt obligations of the

Commingling Guarantor cease to be rated at least as high as either (x) A1 by Moody's (if the Commingling Guarantor is not assigned a short-term rating by Moody's) or (y) A2 by Moody's (if the Commingling Guarantor is also rated at least as high as Prime-1 by Moody's), or (ii) if such rating is withdrawn, the Seller (or the Servicer on its behalf) will be required to transfer the amounts received on behalf of the Issuer to the Transaction Account on a daily basis, unless another solution is found which is suitable in order to maintain the then current ratings of the Notes. If at any time the long-term and/or short-term unsecured, unsubordinated and unguaranteed debt obligations of the Commingling Guarantor are assigned a rating of less than the rating set out in Table 1, in the column headed 'Direct support/Limited support' of the Structured Finance Report dated 2 December 2010 and published on 6 December 2010 by S&P titled "Counterparty And Supporting Obligations Methodology And Assumptions" as being the minimum counterparty rating to support a security with the rating assigned to the Class of Notes with the highest ranking of all Notes (other than the Subordinated Class E Notes) (the "**Highest Rated Supported Notes** ") by S&P at such times (or, in the event that any Notes (other than the Subordinated Class E Notes) are downgraded by S&P as a result of a downgrade of such entity, the rating as was assigned to the Highest Rated Supported Notes by S&P immediately prior to such downgrade of such entity) (the "**S&P Counterparty Required Rating** "), the Commingling Guarantor will, within 30 Business Days after the occurrence of any such event, deposit into the Transaction Account an amount of € 27,000,000 reduced by any payment made by the Commingling Guarantor pursuant the Commingling Guarantee prior to the occurrence of any such event.

Following an Assignment Notification Event as described under section *Mortgage Receivables Purchase Agreement* below, the Borrowers will be required to pay all amounts due by them under the relevant Portfolio Mortgage Loans directly to the Transaction Account.

Construction Deposits Guarantee

The sale of the Mortgage Receivables to the Issuer includes such parts of the Mortgage Receivables as correspond to the amounts placed in deposit with the Seller as Construction Deposits. In the event of any set-off defences of a Borrower with respect to repayment of the Mortgage Receivables based on the statement that the Construction Deposit was not made available to such Borrower, following an Assignment Notification Event, the Issuer has the right to invoke the Construction Deposits Guarantee. All amounts received by the Issuer under the Construction Deposits Guarantee following such demand will become part of the Notes Principal Available Amounts.

If at any time (i) the Construction Deposits Guarantor ceases to be rated at least as high as Prime-1 by Moody's or (ii) the long-term and/or short-term unsecured, unsubordinated and unguaranteed debt obligations of the Construction Deposits Guarantor are assigned a rating of less than the S&P Counterparty Required Rating (such event a "**Construction Deposits Guarantor Downgrade**"), the Construction Deposits Guarantor will, within 30 Business Days after the occurrence of any such event, by way of security for its payment obligations under the Construction Deposits Guarantee, deposit an amount equal to the total amount of the outstanding Construction Deposits at that time into the Transaction Account, where this amount will be administered by the Issuer on a ledger (the

"**Construction Deposits Ledger**"). Within such period, the Issuer will serve a notice of the Construction Deposits Guarantor Downgrade to the Seller. Any interest received by the Issuer over that part of the balance of the Transaction Account corresponding with the amount on the Construction Deposits Ledger will be due and payable by the Issuer to the Construction Deposits Guarantor and will therefore not form part of the Notes Interest Available Amounts. The amount of the deposit made by Construction Deposits Guarantor following a Construction Deposits Guarantor Downgrade will not form part of the amounts to be distributed by the Security Trustee in accordance with the Post-Enforcement Priority of Payments.

Until such time as the Construction Deposits need to be paid out or the Construction Deposits Guarantor Downgrade no longer exists, the moneys standing in the Construction Deposits Ledger will serve as collateral ("**Construction Deposits Cash Collateral**") for the Issuer in the event a Borrower would invoke a right of set-off of the amount due under the Portfolio Mortgage Loan with the outstanding amount payable to it under or in connection with the Construction Deposit. To the extent that the Seller makes payments of Construction Deposits to a Borrower by means of actual payment or by means of set-off, the Issuer will repay to the Construction Deposits Guarantor part of the collateral and at the same time make a debit to the Construction Deposits Ledger in an amount equal to the amount of such Construction Deposits.

GIC Accounts

Transaction Account

The Issuer will maintain with the Floating Rate GIC Provider the Transaction Account to which all amounts received (i) in respect of the Portfolio Mortgage Loans, (ii) from the Savings Mortgage Participants under the Sub-Participation Agreements and (iii) from the Construction Deposits Guarantor in the event of a Construction Deposits Guarantor Downgrade (see *Construction Deposits Guarantee* above) will be paid. Furthermore, any drawing (other than a Liquidity Facility Stand-by Drawing) made under the Liquidity Facility Agreement shall be deposited into the Transaction Account. The Issuer Administrator will identify all amounts paid into the Transaction Account. Payments received by the Issuer on each Portfolio Payment Date in respect of the Portfolio Mortgage Loans will be identified as principal, interest or other revenue receipts.

Reserve Account

The Issuer will maintain with the Floating Rate GIC Provider the Reserve Account (see under *Reserve Account* of section *Key Parties and Summary of Principal Features* above). The proceeds of the Subordinated Class E Notes will be credited to the Reserve Account on the Closing Date.

Amounts credited to the Reserve Account will be available for drawing on any Quarterly Payment Date to meet items (a) up to and including (n) of the Interest Priority of Payments (see under *Priority of Payments in respect of interest (prior to Enforcement Notice)* below), in the event the Notes Interest Available Amounts are insufficient to meet such items in full.

If and to the extent that the Notes Interest Available Amounts calculated on any Notes Calculation Date (as defined below) exceed the amounts required to meet items (a) up to and including (n) in the Interest Priority of Payments, the excess amount will be deposited into the Reserve Account or, as the case may be, applied to replenish the Reserve Account, to the extent required until the balance standing to the credit of the Reserve Account equals the Reserve Account Target Level.

The Reserve Account Target Level will on any Notes Calculation Date be equal to 1.30 per cent. of the aggregate Principal Amount Outstanding of the Notes (excluding the Subordinated Class E Notes) at the Closing Date.

To the extent that the balance standing to the credit of the Reserve Account on any Notes Calculation Date exceeds the Reserve Account Target Level, such excess will be drawn from the Reserve Account on the immediately succeeding Quarterly Payment Date and be deposited in the Transaction Account to form part of the Notes Interest Available Amounts on such Quarterly Payment Date and be applied in accordance with the Interest Priority of Payments.

If on any Notes Calculation Date all amounts of interest and principal due in respect of the Notes, except for principal in respect of the Subordinated Class E Notes, have been paid on the Quarterly Payment Date immediately preceding such Notes Calculation Date or will be available for payment on the Quarterly Payment Date immediately following such Notes Calculation Date, the Reserve Account Target Level will be reduced to zero and any amount standing to the credit of the Reserve Account will thereafter form part of the Notes Interest Available Amounts and will be available to redeem or partially redeem the Subordinated Class E Notes until fully redeemed and thereafter towards satisfaction of the Deferred Purchase Price (as defined in section *Mortgage Receivables Purchase Agreement* below) to the Seller.

Liquidity Facility Stand-by Drawing Account
The Issuer shall maintain with the Floating Rate GIC Provider the Liquidity Facility Stand-by Drawing Account into which any Liquidity Facility Stand-by Drawing to be made under the Liquidity Facility Agreement will be deposited.

Rating of the Floating Rate GIC Provider
If at any time the Floating Rate GIC Provider is assigned a rating less than (i) Prime-1 by Moody's with respect to its short-term unsecured, unsubordinated and unguaranteed debt obligations or (ii) the S&P Counterparty Required Rating (or such other rating from time to time notified by the relevant Rating

Agency) (such ratings together the "**Requisite Ratings**" or if any such rating is withdrawn, the Floating Rate GIC Provider shall (i) replace itself on substantially the same terms by an alternative bank having a rating at least equal to the Requisite Ratings within a period of 30 days after the occurrence of any such downgrading or withdrawal as a result of which the Issuer and/or the Issuer Administrator on its behalf will be required to transfer the balance on all such GIC Accounts to such alternative bank, or (ii) procure that a third party, having at least the Requisite Ratings, guarantees the obligations of the Floating Rate GIC Provider or (iii) find another solution which is suitable in order to maintain the then current ratings assigned to the Notes.

Priority of Payments in respect of interest (prior to Enforcement Notice)

Prior to the delivery of an Enforcement Notice by the Security Trustee, the sum of the following amounts, calculated as at each Notes Calculation Date as being received or held by the Issuer during the Notes Calculation Period (as defined in the Conditions) immediately preceding such Notes Calculation Date (items (i) up to and including (xi)) *less* an amount equal to 25 per cent of the higher of (A) € 3,500 and (B) 10 per cent. of the amount due and payable per annum by the Issuer to its Director, pursuant to item (a) of the Interest Priority of Payments, representing taxable income for corporate income tax purposes in the Netherlands (the "**Profit**", being hereafter referred to as the "**Notes Interest Available Amounts**":

(i) interest on the Mortgage Receivables, *less*, with respect to each Savings Mortgage Receivable, each Switch Mortgage Receivable and each Bank Savings Mortgage Receivable, an amount equal to the interest amount received multiplied by a fraction which is equal to the relevant Savings Participation divided by the outstanding principal amount of such Savings Mortgage Receivable, Switch Mortgage Receivable or Bank Savings Mortgage Receivable (the "**Participation Fraction**");

(ii) interest credited to the GIC Accounts less the interest due by the Issuer to the Construction Deposits Guarantor under the terms of the Construction Deposits Guarantee in connection with any Construction Deposits Cash Collateral credited to the Transaction Account;

(iii) prepayment penalties and penalty interest (*boeterente*) in respect of the Mortgage Receivables;

(iv) Net Proceeds (as defined in the Conditions) in respect of any Mortgage Receivables, to the extent such proceeds do not relate to principal, less, with respect to each Savings Mortgage Receivable, each Switch Mortgage Receivable and each Bank Savings Mortgage Receivable, an amount equal to the proceeds received multiplied by the Participation Fraction;

(v) amounts to be drawn under the Liquidity Facility (other than a Liquidity Facility Stand-by Drawing) (as defined below) on the immediately succeeding Quarterly Payment Date;

(vi) amounts to be drawn from the Reserve Account on the immediately succeeding Quarterly Payment Date;

(vii) amounts to be received from the Swap Counterparty under the Swap Agreement on the immediately succeeding Quarterly Payment Date, excluding, for the avoidance of doubt, any collateral transferred to the Issuer pursuant to the Swap Agreement;

(viii) amounts received in connection with a repurchase or sale of Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement or the Trust Deed, as the case may be, 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, each Switch Mortgage Receivable and each Bank Savings Mortgage Receivable, an amount equal to the amount received multiplied by the Participation Fraction;

(ix) amounts received as post-foreclosure proceeds on the Mortgage Receivables, to the extent such amounts are not due and payable to *Stichting Waarborgfonds Eigen Woningen* to satisfy its claim resulting from payment made by it under the NHG Guarantees;

(x) amounts received from a replacement swap provider upon entry into an agreement with such replacement swap provider replacing the Swap Agreement; and

(xi) after all amounts of interest and principal due in respect of the Notes, other than principal in respect of the Subordinated Class E Notes, have been paid on the Quarterly Payment Date immediately preceding the relevant Notes Calculation Date or will be available for payment on the immediately succeeding Quarterly Payment Date, any amount standing to the credit of the Reserve Account,

will, pursuant to the terms of the Trust Deed, be applied by the Issuer on the immediately succeeding Quarterly Payment Date as follows (in each case only if and to the extent that payments 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 fees or other remuneration due and payable by the Issuer to the Directors in connection with the Management Agreements and of the fees or other remuneration and indemnity payments (if any) due and payable to the Security Trustee and any costs, charges, liabilities and expenses incurred by the Security Trustee under or in connection with the relevant Transaction Documents (including the fees and expenses payable to any legal advisors, accountants and auditors appointed by the Security Trustee);

(b) *Second*, in or towards satisfaction, pro rata, according to the respective amounts thereof, of (i)

the fees and expenses due and payable to the Issuer Administrator under the Issuer Administration Agreement and (ii) the fees and expenses due and payable to the Servicer under the Servicing Agreement;

(c) *Third,* in or towards satisfaction, pro rata, according to the respective amounts thereof, of (i) the amounts due and payable (but not yet paid prior to the relevant Quarterly Payment Date) to third parties under obligations incurred in the Issuer's business (other than under the relevant Transaction Documents), including, without limitation, in or towards satisfaction of amounts or provisions for any payment of the Issuer's liability, if any, to tax (other than Dutch corporate income tax over Profit), (ii) the fees and expenses due and payable to the Paying Agents, the Reference Agent, the common safekeepers and any other agent designated under any of the relevant Transaction Documents, (iii) the amounts due and payable to the Rating Agencies, (iv) the fees and expenses due and payable to any legal advisors, accountants and auditors appointed by the Issuer, (v) the fees due to the Back-Up Swap Counterparty under the Conditional Deed of Novation and (vi) the commitment fee due and payable to the Liquidity Facility Provider under the Liquidity Facility Agreement;

(d) *Fourth,* in or towards satisfaction of any amounts (other than the commitment fee) due and payable to the Liquidity Facility Provider under the Liquidity Facility Agreement or, following a Liquidity Facility Stand-by Drawing, in or towards satisfaction of sums to be credited to the Liquidity Facility Stand-by Drawing Account, less, in the event a Liquidity Facility Stand-by Drawing is made, (i) an amount equal to the positive difference between (x) the interest due and payable to the Liquidity Facility Provider pursuant to the Liquidity Facility Agreement over that part of the balance standing to the debit of the Liquidity Facility Account which equals such Liquidity Facility Stand-by Drawing and (y) the interest received from the Floating Rate GIC Provider over the balance standing to the credit of the Liquidity Facility Stand-by Drawing Account and (ii) any gross-up amounts or additional amounts due under the Liquidity Facility and payable under (r) below (the amounts under (i) and (ii) referred to as the "**Subordinated Liquidity Facility Amount**");

(e) *Fifth,* in or towards satisfaction of amounts (other than the fees due and payable to the Back-Up Swap Counterparty), if any, due and payable under the Swap Agreement, including a Settlement Amount (as defined therein), except for any termination payment due or payable as a result of the occurrence of an Event of Default (as defined therein) where the Swap Counterparty is the Defaulting Party or an Additional Termination Event (each as defined therein) relating to the credit rating of the Back-Up Swap Counterparty (a "**Swap Counterparty Default Payment**"), payable under (q) below and excluding, for the avoidance of doubt, the payment to the Swap Counterparty of any Excess Swap Collateral (as defined below);

(f) *Sixth,* in or towards satisfaction, pro rata, according to the respective amounts thereof, of the amounts of interest due or accrued but unpaid in respect of the Senior Class A1 Notes and the

Senior Class A2 Notes;

(g) *Seventh,* in or towards making good any shortfall reflected in the Class A Principal Deficiency Ledger (as defined below) until the debit balance, if any, on the Class A Principal Deficiency Ledger is reduced to zero;

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

(i) *Ninth*, in or towards making good any shortfall reflected in the Class B Principal Deficiency Ledger (as defined below) until the debit balance, if any, on the Class B Principal Deficiency Ledger is reduced to zero;

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

(k) *Eleventh,* in or towards making good any shortfall reflected in the Class C Principal Deficiency Ledger (as defined below) until the debit balance, if any, on the Class C Principal Deficiency Ledger is reduced to zero*;*

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

(m) *Thirteenth,* in or towards making good any shortfall reflected in the Class D Principal Deficiency Ledger (as defined below) until the debit balance, if any, on the Class D Principal Deficiency Ledger is reduced to zero*;*

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

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

(p) *Sixteenth*, in or towards satisfaction of principal amounts due on the Subordinated Class E Notes;

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

(r) *Eighteenth*, in or towards satisfaction, pro rata, according to the respective amounts thereof, of

any Subordinated Liquidity Facility Amount and gross-up amounts or additional amounts, if any, due under the Issuer Administration Agreement and/or the Servicing Agreement; and

(s) *Nineteenth*, in or towards satisfaction of the Deferred Purchase Price to the Seller pursuant to the Mortgage Receivables Purchase Agreement.

Priority of Payments in respect of principal (prior to Enforcement Notice)

Prior to the delivery of an Enforcement Notice by the Security Trustee, the sum of the following amounts, calculated as at each Notes Calculation Date as being received or held by the Issuer during the Notes Calculation Period (as defined in the Conditions) immediately preceding such Notes Calculation Date (items (i) up to and including (viii) being hereafter referred to as the "**Notes Principal Available Amounts**"):

(i) repayment and full prepayment of principal under the Mortgage Receivables, from any person, whether by set-off or otherwise, but, for the avoidance of doubt, excluding prepayment penalties, if any, *less*, with respect to each Savings Mortgage Receivable, each Switch Mortgage Receivable and each Bank Savings Mortgage Receivable, the Savings Participation in such Savings Mortgage Receivable, Switch Mortgage Receivable or Bank Savings Mortgage Receivable;

(ii) Net Proceeds (as defined in the Conditions) in respect of any Mortgage Receivables, to the extent such proceeds relate to principal, *less*, with respect to each Savings Mortgage Receivable, each Switch Mortgage Receivable and each Bank Savings Mortgage Receivable, the Savings Participation in such Savings Mortgage Receivable, Switch Mortgage Receivable or Bank Savings Mortgage Receivable;

(iii) amounts received in connection with a repurchase or sale of Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement or the Trust Deed, as the case may be, or 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, each Switch Mortgage Receivable and each Bank Savings Mortgage Receivable, the Savings Participation in such Savings Mortgage Receivable, Switch Mortgage Receivable or Bank Savings Mortgage Receivable;

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

(v) any Participation Increase, Switched Savings Participation and Initial Savings Participation received pursuant to the Sub-Participation Agreements (other than the Initial Savings Participations received on the Closing Date);

(vi) partial prepayment in respect of Mortgage Receivables, excluding prepayment penalties, if any, *less* with respect to each Savings Mortgage Receivable, each Switch Mortgage Receivable and each Bank Savings Mortgage Receivable in case the partial prepayment made in respect thereof exceeds the difference between (a) the principal amount outstanding under such Savings Mortgage Receivable, Switch Mortgage Receivable or Bank Savings Mortgage Receivable and (b) the Savings Participation therein, an amount equal to such excess up to the Savings Participation therein;

(vii) amounts received under or in connection with the Construction Deposits Guarantee after a request for payment made by the Issuer (other than the Construction Deposits Cash Collateral); and

(viii) the part of the net proceeds of the issue of the Notes (other than the Subordinated Class E Notes), if any, which will remain after application thereof towards payment on the Closing Date of part of the Initial Purchase Price for the Mortgage Receivables purchased by the Issuer on the Closing Date and any part of the Notes Principal Available Amounts calculated on the immediately preceding Notes Calculation Date which has not been applied towards satisfaction of the items set forth in the Principal Priority of Payments on the immediately preceding Quarterly Payment Date,

will, pursuant to the terms of the Trust Deed, be applied by the Issuer on the next succeeding Quarterly 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*, up to and including the Quarterly Payment Date immediately preceding the First Optional Redemption Date in or towards satisfaction of the purchase price of any Further Advance Receivables and/or, up to the Replacement Available Amount, towards satisfaction of the purchase price of any Replacement Receivables;

(b) *Second*, in or towards satisfaction of principal amounts due on the Senior Class A1 Notes, until fully redeemed in accordance with the Conditions and subsequently in or towards satisfaction of principal amounts due on the Senior Class A2 Notes, until fully redeemed in accordance with the Conditions;

(c) *Third*, in or towards satisfaction of principal amounts due on the Mezzanine Class B Notes, until fully redeemed in accordance with the Conditions;

(d) *Fourth*, in or towards satisfaction of principal amounts due on the Mezzanine Class C Notes, until fully redeemed in accordance with the Conditions;

(e) *Fifth*, in or towards satisfaction of principal amounts due on the Junior Class D Notes, until fully redeemed in accordance with the Conditions; and

(f) *Sixth*, in or towards satisfaction of the Deferred Purchase Price to the Seller pursuant to the Mortgage Receivables Purchase Agreement.

Payments outside Priority of Payments (prior to Enforcement Notice)
Any amount due and payable to third parties (other than pursuant to any of the Transaction Documents) under obligations incurred in the Issuer's business at a date which is not a Quarterly Payment Date and any amount due and payable to the Savings Mortgage Participants under the Sub-Participation Agreements may be made on the relevant due date by the Issuer from the Transaction Account to the extent that the funds available on the Transaction Account are sufficient to make such payment.

Priority of Payments upon Enforcement
Following delivery of an Enforcement Notice any amounts to be distributed by the Security Trustee under the Trust Deed will be paid to the Security Beneficiaries (including the Noteholders, but excluding the Savings Mortgage Participants, which shall be entitled outside, and with priority over, this priority of payments upon enforcement to receive an amount equal to the relevant Savings Participation in each of the Savings Mortgage Receivables, Switch Mortgage Receivables and Bank Savings Mortgage Receivables or if the amount recovered is less than the relevant Savings Participation, then an amount equal to the amount actually recovered) and the Security Trustee in the following order of priority (and in each case only if and to the extent payments of a higher priority have been made in full) (the "**Post-Enforcement Priority of Payments**"):

(a) *First*, in or towards satisfaction, pro rata, according to the respective amounts thereof, of fees or other remuneration due and payable by the Issuer to the Directors in connection with the Management Agreements and of the fees or other remuneration and indemnity payments (if any) due and payable to the Security Trustee and any costs, charges, liabilities and expenses incurred by the Security Trustee under or in connection with the relevant Transaction Documents (including the fees and expenses payable to any legal advisors, accountants and auditors appointed by the Security Trustee);

(b) *Second*, in or towards satisfaction, pro rata, according to the respective amounts thereof, of (i)

the fees and expenses due and payable to the Issuer Administrator under the Issuer Administration Agreement, (ii) the fees and expenses due and payable to the Servicer under the Servicing Agreement, (iii) amounts due and payable to the Rating Agencies, (iv) the fees and expenses due and payable to the Paying Agents and the Reference Agent under the Paying Agency Agreement, (v) the fees due to the Back-Up Swap Counterparty under the Conditional Deed of Novation and (vi) the commitment fee due and payable to the Liquidity Facility Provider under the Liquidity Facility Agreement;

(c) *Third,* in or towards satisfaction of any amounts (other than the commitment fee and the Subordinated Liquidity Facility Amount, if any) due and payable to the Liquidity Facility Provider under the Liquidity Facility Agreement;

(d) *Fourth*, in or towards satisfaction, pro rata, according to the respective amounts thereof, of (i) all amounts of interest due or accrued but unpaid in respect of the Senior Class A1 Notes and the Senior Class A2 Notes and (ii) amounts (other than the fees due and payable to the Back-Up Swap Counterparty), if any, due and payable to the Swap Counterparty under the Swap Agreement including a Settlement Amount (as defined therein), but excluding any Swap Counterparty Default Payment payable under (n) below and excluding, for the avoidance of doubt, any payment to the Swap Counterparty of any Excess Swap Collateral;

(e) *Fifth*, in or towards satisfaction, pro rata, according to the respective amounts thereof, of all amounts of principal and other amounts due but unpaid in respect of the Senior Class A1 and the Senior Class A2 Notes;

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

(g) *Seventh*, in or towards satisfaction of all amounts of principal and other amounts 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 but unpaid in respect of the Mezzanine Class C Notes;

(i) *Ninth*, in or towards satisfaction of all amounts of principal and other amounts 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 but unpaid in respect of the Junior Class D Notes;

(k) *Eleventh*, in or towards satisfaction of all amounts of principal and other amounts 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 but unpaid in respect of the Subordinated Class E Notes;

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

(n) *Fourteenth*, in or towards satisfaction of the Swap Counterparty Default Payment to the Swap Counterparty under the terms of the Swap Agreement;

(o) *Fifteenth*, in or towards satisfaction, pro rata, according to the respective amounts thereof, of any Subordinated Liquidity Facility Amount and gross-up amounts or additional amounts, if any, due under the Issuer Administration Agreement and/or the Servicing Agreement; and

(p) *Sixteenth*, in or towards satisfaction of the Deferred Purchase Price to the Seller pursuant to the Mortgage Receivables Purchase Agreement.

Liquidity Facility

On the Signing Date, the Issuer will enter into the Liquidity Facility Agreement with the Liquidity Facility Provider. On any Quarterly Payment Date (other than an Optional Redemption Date if and to the extent that on such date the Notes are redeemed in full) the Issuer will be entitled to make drawings under the liquidity facility made available to the Issuer by the Liquidity Facility Provider pursuant to the Liquidity Facility Agreement (the "**Liquidity Facility**") up to the Liquidity Facility Maximum Amount (as defined below). The Liquidity Facility Agreement is for a term of 364 days. Payments to the Liquidity Facility Provider (other than the Subordinated Liquidity Facility Amount) will rank in priority higher than payments under the Notes. The commitment of the Liquidity Facility Provider is extendable at its discretion.

Any drawing under the Liquidity Facility by the Issuer shall only be made on a Quarterly Payment Date if and to the extent that, after the application of any Notes Interest Available Amounts and the amounts available in the Reserve Account and before any drawing under the Liquidity Facility (each a "**Liquidity Facility Drawing**"), there is a shortfall in the Notes Interest Available Amounts to meet items (a) up to and including (n) of the Interest Priority of Payments in full on that Quarterly Payment Date, provided that no drawings may be made to meet items (e), (g), (i), (k) and (m) of the Interest Priority of Payments, and provided further that no drawings may be made on any Quarterly Payment Date for shortfalls in interest:

(i) on the Mezzanine Class B Notes if there was a Class B Principal Deficiency outstanding on the first day of the Quarterly Interest Period ending on such Quarterly Payment Date;

(ii) on the Mezzanine Class C Notes if there was a Class C Principal Deficiency outstanding on the first day of the Quarterly Interest Period ending on such Quarterly Payment Date;

(iii) on the Junior Class D Notes or the Subordinated Class E Notes if there was a Class D Principal Deficiency outstanding on the first day of the Quarterly Interest Period ending on such Quarterly Payment Date.

For these purposes "**Liquidity Facility Maximum Amount**" means, on each Notes Calculation Date, an amount equal to the greater of (i) 2.00 per cent. of the Principal Amount Outstanding of the Notes on such date and (ii) 1.45 per cent. of the Principal Amount Outstanding of the Notes as at the Closing Date.

If, at any time the short-term rating of the Liquidity Facility Provider or the short-term or long-term unsecured, unsubordinated and unguaranteed debt obligations of the Liquidity Facility Provider are (i) assigned a credit rating of less than the Requisite Ratings, and/or such rating is withdrawn and (ii) within 30 days of such downgrading or withdrawal the Liquidity Facility Provider is not replaced with a suitable alternative liquidity facility provider, or a third party having at least the Requisite Ratings has not guaranteed the obligations of the Liquidity Facility Provider, or another solution which is suitable in order to maintain the then current ratings assigned to the Notes is not found, the Issuer will be required forthwith to draw down the entire undrawn portion of the Liquidity Facility (a "**Liquidity Facility Stand-by Drawing**") and deposit such amount into the Liquidity Facility Stand-by Drawing Account. Amounts so deposited into the Liquidity Facility Stand-by Drawing Account may be utilised by the Issuer in the same manner as if the Liquidity Facility Stand-by Drawing had not been made. A Liquidity Facility Stand-by Drawing shall also be made if the Liquidity Facility is not renewed prior to the commitment termination date.

Allocation of Realised Losses and Principal Deficiency Ledger

A principal deficiency ledger (the "**Principal Deficiency Ledger**"), comprising four sub-ledgers known as the "**Class A Principal Deficiency Ledger**", "**Class B Principal Deficiency Ledger**", "**Class C Principal Deficiency Ledger**" and "**Class D Principal Deficiency Ledger**", will be established by or on behalf of the Issuer in order to record any Realised Losses (as defined in the Conditions) (each respectively the "**Class A Principal Deficiency**", the "**Class B Principal Deficiency**", the "**Class C Principal Deficiency**" and the "**Class D Principal Deficiency**" and together the "**Principal Deficiency**"). Any Realised Losses will, on the relevant Notes Calculation Date be debited to the Class D Principal Deficiency Ledger (such debit items being re-credited at item (m) of the Interest Priority of Payments) so long as the debit balance on such sub-ledger is not greater than the Principal Amount Outstanding of the Junior Class D Notes, and thereafter the Class C Principal Deficiency Ledger (such

debit items being re-credited at item (k) of the Interest Priority of Payments) so long as the debit balance on such sub-ledger is not greater than the Principal Amount Outstanding of the Mezzanine Class C Notes, and thereafter to the Class B Principal Deficiency Ledger (such debit items being re-credited at item (i) of the Interest Priority of Payments) so long as the debit balance on such sub-ledger is not greater than the Principal Amount Outstanding of the Mezzanine Class B Notes, and thereafter such amounts shall be debited to the Class A Principal Deficiency Ledger (such debit item being re-credited at item (g) of the Interest Priority of Payments).

Interest Rate Hedging

The Mortgage Loan Criteria (as defined under section *Mortgage Receivables Purchase Agreement* below) require that all Portfolio Mortgage Loans bear a floating rate of interest or fixed rate of interest, subject to a reset from time to time. The interest rate payable by the Issuer with respect to the Notes is calculated as a margin over Euribor, which margin will for the Notes (other than the Subordinated Class E Notes) increase after the First Optional Redemption Date. The Issuer will hedge this interest rate exposure by entering into the Swap Agreement with the Swap Counterparty and the Security Trustee. Under the Swap Agreement, the Issuer will agree to pay amounts equal to (a) the interest scheduled to be received on the Mortgage Receivables (*minus* (i) with respect to each Bank Savings Mortgage Receivable, each Savings Mortgage Receivable and each Switch Mortgage Receivable, an amount equal to the interest amount scheduled to be received multiplied by the relevant Participation Fraction and *minus* (ii) with respect to the Mortgage Receivables in respect of which the enforcement procedures have been fully and finally terminated, an amount equal to the accrued interest thereon), plus (b) the interest credited to the Transaction Account (*minus* any interest due by the Issuer to the Construction Deposits Guarantor over the collateral posted following a Construction Deposits Guarantor Downgrade), and plus (c) prepayment penalties and penalty interest (*boeterente*), less (i) certain expenses as described under (a), (b) and (c) of the Interest Priority of Payments, and less (ii) an excess margin (the "**Excess Spread Margin**") of 0.50 per cent. per annum applied to the Principal Amount Outstanding of each Class of Notes (other than the Subordinated Class E Notes) on the first day of the relevant Quarterly Interest Period reduced by the relevant Principal Deficiency. In return, the Swap Counterparty will agree to pay amounts equal to the scheduled interest due under each Class of Notes, calculated by reference to the floating rate of interest applied to the Principal Amount Outstanding of the relevant Class of Notes on the first day of the relevant Quarterly Interest Period. The notional amount under the Swap Agreement, however, will be reduced to the extent there will be a debit balance on any of the sub-ledgers of the Principal Deficiency Ledger on the Quarterly Payment Date on which the relevant Quarterly Interest Period ends after application of the Notes Interest Available Amounts. As there is no principal deficiency sub-ledger in respect of the Subordinated Class E Notes, the swap notional amount for the Subordinated Class E Notes will be reduced to zero if and as long as there will be an outstanding debit on the Class D Principal Deficiency Ledger on the Quarterly Payment Date on which the relevant Quarterly Interest Period ends after application of the Notes Interest Available Amounts.

The Swap Agreement provides that, in the event that any payment by the Issuer to the Swap

Counterparty is less than the amount which the Issuer would be required to pay to the Swap Counterparty, the corresponding payment obligation of the Swap Counterparty to the Issuer shall be reduced by an amount equal to such shortfall.

If - *inter alia* - (i) the Swap Counterparty fails to make, when due, any payment to the Issuer under the Swap Agreement or (ii) the Swap Counterparty is declared bankrupt (*failliet*), the Issuer shall promptly give notice thereof to the Back-Up Swap Counterparty in accordance with the conditional deed of novation, dated 5 April 2012, entered into between the Swap Counterparty, the Back-Up Swap Counterparty, the Issuer and the Security Trustee (the "**Conditional Deed of Novation**"). Following such notice, the Swap Agreement shall be novated to the Back-Up Swap Counterparty in accordance with the Conditional Deed of Novation. Upon such novation (i) reference to the Swap Counterparty in respect of the Swap Agreement shall be deemed to be a reference to the Back-Up Swap Counterparty, (ii) the Swap Counterparty shall be released from its obligations under the Swap Agreement towards the Issuer, (iii) the Back-Up Swap Counterparty shall have assumed all obligations of the Swap Counterparty towards the Issuer under the Swap Agreement and (iv) the Back-Up Swap Counterparty shall have acquired all rights of the Swap Counterparty as against the Issuer under the Swap Agreement.

Payments under the Swap Agreement will be netted.

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

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

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

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

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

If (i) the long-term unsecured, unsubordinated and unguaranteed debt obligations of the Back-Up Swap Counterparty (or its successor) cease to be rated at least as high as either (x) A1 by Moody's (if the Back-Up Swap Counterparty (or its successor) is not assigned a short-term rating by Moody's) or (y) A2 by Moody's (if the Back-Up Swap Counterparty (or its successor) is also rated at least as high as Prime-1 by Moody's), or (ii) the long-term and/or short-term unsecured, unsubordinated and unguaranteed debt obligations of the Back-Up Swap Counterparty (or its successor) cease to be rated at least as high as the rating set out in Table 1, in the column headed 'Derivative/Without collateral' of the Structured Finance Report dated 2 December 2010 and published on 6 December 2010 by S&P titled "Counterparty And Supporting Obligations Methodology And Assumptions" as being the minimum counterparty rating to support a security with the rating assigned to the Highest Rated Supported Notes by S&P at such time (or, in the event that any Notes (other than the Subordinated Class E Notes) are downgraded by S&P as a result of a downgrade of the Back-Up Swap Counterparty, the rating as was assigned to the Highest Rated Supported Notes by S&P immediately prior to such downgrade of the Back-Up Swap Counterparty) (or such other rating from time to time notified by the relevant Rating Agency) (such ratings together, the "**Swap Required Ratings**") or (iii) any such rating is withdrawn by Moody's or S&P, 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 or guarantor in respect of its obligations under the Swap Agreement, or the taking of such other suitable action as it may then propose to 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, the Swap Counterparty and the Security Trustee have entered into a Credit Support Annex to the Swap Agreement on the basis of the standard ISDA documentation (the "**Credit Support Annex**"), which provides for requirements relating to the providing of collateral by the Swap Counterparty if the Back-Up Swap Counterparty (or its successor) ceases to have at least the Swap Required Ratings.

The Issuer will maintain a separate account or accounts, as the case may be, with an entity having at least the Requisite Ratings into which any collateral required to be transferred by the Swap Counterparty in accordance with the provisions set out above will be deposited. Any collateral transferred by the Swap Counterparty which is in excess of its obligations to the Issuer under the Swap Agreement (the "**Excess Swap Collateral**") will be returned to such Swap Counterparty (outside of any priority of payments) prior to the distribution of any amounts due to the Noteholders or the other Security Beneficiaries.

Sale of Mortgage Receivables

Under the terms of the Trust Deed, the Issuer will have the right to sell and assign all (but not only part of) the Mortgage Receivables on any Optional Redemption Date to any party. The Issuer shall be required to apply the proceeds of such sale, to the extent relating to principal, towards redemption of the Notes (other than the Subordinated Class E Notes).

The purchase price of a Mortgage Receivable shall be at least equal to the outstanding principal amount of such Mortgage Receivable, together with accrued interest due but unpaid and any other amount due under the relevant Portfolio Mortgage Loan, 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 equal to (a) the outstanding principal amount, together with accrued interest due but unpaid and any other amount due under the relevant Portfolio Mortgage Loan, or (b) if less, an amount equal to (i) the foreclosure value of the Mortgaged Asset or, (ii) if no valuation report less than 12 months old is available, the Indexed Foreclosure Value or (c) in respect of the NHG Mortgage Loan Parts only if higher than (b), the aggregate of (i) the principal amount reduced on a monthly basis by an amount which is equal to the monthly payments of principal as if the NHG Mortgage Loan Part were being repaid on a 30 year annuity basis, (ii) accrued interest due but unpaid and (iii) any other amount due under the relevant NHG Mortgage Loan Part and provided that the purchase price to be received shall be sufficient to redeem the Senior Class A Notes, subject to and in accordance with the Conditions, at their Principal Amount Outstanding plus accrued but unpaid interest thereon.

For these purposes "**Indexed Foreclosure Value**" means the foreclosure value of the relevant Mortgaged Asset as determined upon origination of the relevant Portfolio Mortgage Loan multiplied by the transaction price (*transactieprijs*) for such Mortgaged Asset as published by the Dutch Association of Real Estate Brokers and Immovable Property Experts (*Nederlands Vereniging van Makelaars en vastgoeddeskundigen (NVM)*) as at the date on which the purchase price is determined divided by the

transaction price for such Mortgaged Asset which was applicable at the date of determination of the above mentioned foreclosure value.

OVERVIEW OF THE DUTCH RESIDENTIAL MORTGAGE MARKET[1]

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

Unlike the UK mortgage market in which mortgages (while evolving) remain predominantly floating rate, Dutch mortgages are predominantly of a fixed rate nature and typically are set for a period between 5 and 10 years. The historically low mortgage interest rate in 2005 has proved an additional incentive to opt for mortgages with a long-term fixed interest rate (up to as much as 30 years, which gives people almost life-long certainty). For this reason Dutch mortgage consumers are relatively well insulated against interest rate shocks.

Over recent years, outstanding mortgage loans have continued to increase, even though housing prices declined. The market is still supported by a gradual increase in the levels of owner-occupation and an environment of low mortgage interest rates.

Increased competition and the deregulation of the Dutch financial market have resulted in the development of tailor-made mortgage loans consisting of various parts and features. Because of the credit crisis the more risk seeking products are no longer provided. The mortgage products offered by lenders reflect the (until 2001) full tax deductibility of mortgage interest and have encouraged borrowers to defer repayment of principal for as long as possible. This is evidenced by relatively high loan to value ratios and the extensive use of non-amortising mortgage products, which provide full tax benefits for the whole maturity of the mortgage without the need to redeem the mortgage. Borrowers often have considerable investments and savings available but choose not to use such funds to acquire a house or to repay their mortgage in order to minimise their tax liabilities.

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

[1] *Source: Kadaster*

On top of the limitations that came into force in 2001, tax deductibility of mortgage interest payments has been further restricted as of 1 January 2004. Under the new regulation (*Bijleenregeling*), tax deductibility is only granted up to the purchase price of the new house less the realised net profit on the old house.

Because of this regulation, first time buyers have an incentive never to pay off any part of their mortgage loan, as this limits the amount they have to reinvest in their subsequent homes. Realised profits will need to be reinvested in the housing market, which will result in a larger share of home equity and a reduction in the total tax advantage. The current government has decided to leave tax deductibility of mortgage interest unchanged, in order to create more certainty about the government policy on the housing market and households' future financial burden. However, the debate on the sustainability of the mortgage interest tax deductibility has gained new momentum. Whether this will lead to a new policy is uncertain. There is however great consensus that if a new policy is adopted, it will be implemented step-by-step over a long time frame. Outright abolishment of the tax deductibility is clearly not considered an option.

The residential property market is still not showing any sign of recovery. In the third quarter of 2011, the average house price fell by 2.7% compared to the same period last year. A lack of confidence among house buyers has, however, sapped momentum from the market. From peak-to-trough the price decline amounted to 10.1% (Chart 2). Home sales figures hit rock bottom in the third quarter of 2011. On a twelve-month basis, the number of transactions added up to some 122,752 which is 40% less than the pre-crisis number (Chart 4). On 1 July 2011 the Dutch Government has announced a one year reduction of the transfer tax for dwellings from 6% to 2% in order to stimulate transactions in the Dutch housing market. Because there is a lag of 2 to 3 months between a sale agreement and the actual sale registration, the effect should be reflected in the figures of October and November. These figures suggested that the reduction has not led to a significantly higher number of transactions. This comes as a small surprise as the NVM estate agents, announced an increase of 15% in July 2011 compared to the same month a year ago.[2]

The number of residential property transfers is expected to remain at the low level of 124,000 in 2011 and to rise to 130,000 in 2012. Despite the temporary reduction of the transfer tax, the potential house buyers are confronted with measures designed to limit credit. The reduction of the NIBUD (the National Institute for Family Finance Information) financing burden scale means that households can borrow 2% less in 2012 based on the same income and interest rates. Furthermore, on August 1st 2011 the requirements for mortgage lending have been tightened by the Financial Markets Authority (the "**AFM**" to limit the risks of over-crediting. A mortgage may not exceed 104% of market value plus the transfer tax. In addition only 50% of the market value might be an interest-only mortgage (or equity should be built up to the same amount). In addition, the revised Code of Conduct provides less leeway for exceptions using the 'explain' clause. This will make it more difficult for especially first-time buyers to raise financing as they were overrepresented in the explain clauses. Besides, current homeowners (with a more than 50% interest-only mortgage) will be less inclined to trade up. Accordingly, the oversupply of houses for sale on the one hand and the reduced scope for financing on the other hand,

[2] *Contrary to Statistics Netherlands/Land Registry -series the NVM-series contain more up-to-date information, because the transactions are registered at the time of sale.*

result in a mismatch between demand and supply at the current house price levels. We therefore expect to see a further average house price decline during the course of 2012, as (some) sellers find themselves under growing pressure to drop their price in order to sell. For 2011 and 2012 we expect to see a further drop in house prices by 2% and 3%, respectively.

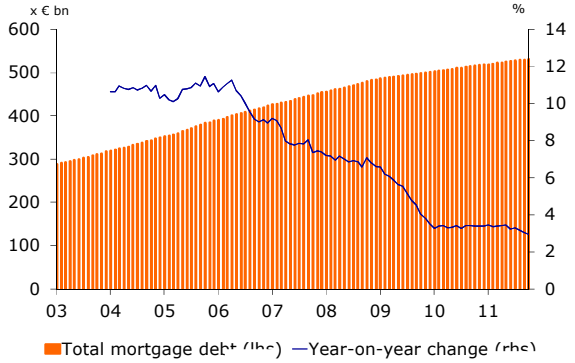
The number of Dutch involuntary sales of residential property by public auction is traditionally very low. Especially in the second half of the 1990s, when the demand for residential property was exceptionally strong, house sales by auction, even in case of a forced sale, almost never occurred or were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

The relatively prolonged economic downturn of 2001 to 2005 led to a significant rise in the amount of mortgage payment arrears and correspondingly forced house sales (Chart 5). The number of foreclosures in the Netherlands reported by the Land Registry (*Kadaster*) rose from 695 in 2002 to about 2000 forced sales from 2005 onwards. This increase was mainly the result of a structural change in the Dutch mortgage market during the nineties. Instead of selling single income mortgages only, lenders were allowed to issue double income mortgages as well. The effect of the credit crisis and the linked upswing in unemployment led to a rise of the number of forced sales, which grew by more than 600 at the peak in the third quarter of 2011. This stands for an increase of around 25%. In the first 9 months of this year the Land Registry (*Kadaster*) recorded almost 1,920 forced auctions – 400 more than in the same period last year (Chart 5). Recent research confirms that the number of households in payment difficulties in the Netherlands is low from an international perspective and the problems have mainly 'external' causes such as divorce or unemployment as opposed to excessively high mortgage debt as such.

The number of foreclosures as a percentage of total house sales (Chart 2) is still low and amounts to 2% (third quarter of 2011). This proportion is clearly too small to have a significant impact on house prices. The Dutch housing market is characterised by a large discrepancy between demand and supply, which mitigated the negative effect of the economic recession on house prices. In the unforeseen case that the number of foreclosures were to increase dramatically, this could have a negative effect on house prices. Decreasing house prices could in turn increase loss levels should a borrower default on its mortgage obligations.

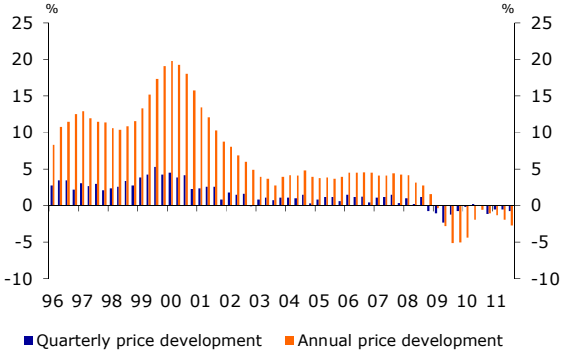
Even though in a relative sense the increase over the last years is substantial, the absolute number of forced sales is obviously still extremely small compared to the total number of residential mortgage loans outstanding. There is no precise data of the number of residential mortgage loans outstanding in the Netherlands. However, based on the published total amount of residential mortgage debt outstanding and the current average mortgage loan amount it is estimated that the total number of residential mortgage loans outstanding in the Netherlands exceeds 3 million. A total of approximately 2,000 foreclosures per year since 2005 therefore correspond to approximately 0.08% of the total number of residential mortgage loans outstanding.

Chart 1: Total mortgage debt



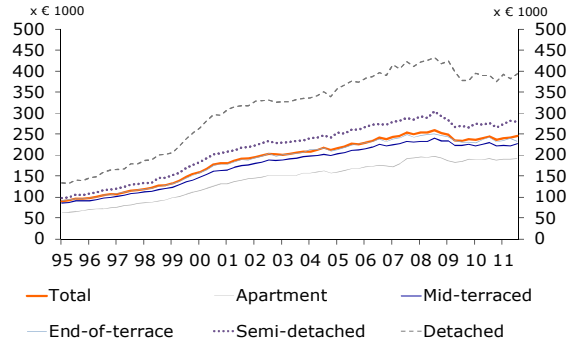
Source: DNB, Rabobank

Chart 2: Change in price index



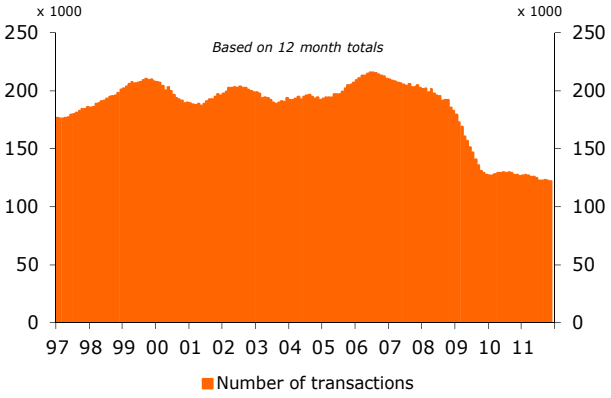
Source: Land Registry, Rabobank

Chart 3: Development Dutch house prices



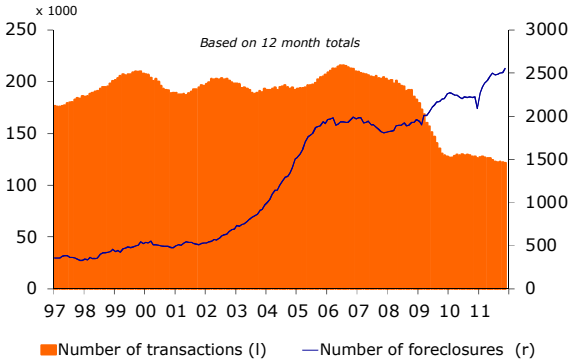
Source: Land Registry, Statistics Netherlands, Rabobank

Chart 4: Number of residential real estate transactions



Source: Land Registry, Statiscs Netherlands, Rabobank

Chart 5: Number of foreclosures



Source: Land Registry, Rabobank

OBVION N.V.[3]

Characteristics

Obvion N.V., formerly known as ABP Hypotheken N.V., is an established originator and servicer of Dutch residential mortgages.

Since 2 April 2002 Obvion's shares are held by Rabobank (70 per cent.) and ABP (30 per cent.). As a result of Rabobank having majority control, Rabobank consolidates Obvion in its financial statements.

Rabobank intends to acquire the remaining shares in Obvion N.V. from ABP. This transaction will mean that Obvion will be owned fully by Rabobank.
The transaction is being carried out subject to a statement of no objection from De Nederlandsche Bank. The transaction is expected to be finalised in mid-2012.

Rabobank has a strong commitment for being involved in Obvion. For Rabobank, participating in Obvion is an excellent way to maintain and expand its market share in the Dutch residential mortgage market by entering into the intermediary channel.

Strategy

Corporate Social Responsibility, which includes customer care, is the heart of Obvion's strategy and all its operations. Obvion sells residential mortgage loans exclusively through independent intermediaries. Obvion is seeking to distinguish itself from competitors based on its strategy 'Obvion+' which results in the following pillars of its policy: high quality products transparency (*transparantie*), reliable advise (*betrouwbaar advies*) and focus on a financially care free (*ontzorgende dienstverlening*) mortgage during the lifetime of the mortgage.

Obvion has implemented the concept of the "integrated application and offering process" called "Obvion Totaal". In this concept applications for mortgage loans as well as applications for various insurance products and investment accounts can be sent to Obvion via the internet. These applications are automatically passed through to the relevant insurance companies and investment managers. Obvion monitors the timely assessment of these applications by these companies and the investment managers and the system sends an integrated offering to the intermediary. Intermediaries are able to monitor the status of their applications via the internet on an ongoing basis.

Instead of contacting and filing applications with two or more companies, the intermediary only has to address Obvion. This integrated application process enables the intermediary to concentrate on its core competence which is providing his customer with professional advise on all kinds of financial planning issues.

[3] *Source: Obvion N.V. (information relating to year 2011 unaudited)*

The process of sending applications to Obvion and returning offers to the intermediaries is highly automated.

The pricing strategy of Obvion is to be in the top three of the relevant competitors meaning mortgage originators using the same distribution channel and offering the same product range. Obvion provides the management, servicing and administration of mortgage loans that it has originated and that are either on its own balance sheet or on the balance sheet of third parties.

Organisational structure

Obvion's organisational structure consists of the following departments: Operations, Marketing, Business Change, Sales Communication and Intermediary Affairs, Treasury, Control Financial and Information Management, Legal and Human Resource Management.

Operations consists of an Underwriting Department, a Servicing Department, an Arrears and Default Management Department including Anti Fraud, a Service Centre and a Support Team. The Underwriting Department is responsible for assessing the loan applications and granting the loans.

Loan modifications are dealt with by the Servicing Department. Arrears and defaults are handled by the Arrears and Default Management Department. The Anti Fraud Team concentrates on fraud prevention i.e. detect possible fraud during the underwriting process before an offering is sent to the potential borrower. Furthermore an important task of the Anti Fraud Team is fraud repression, i.e. to minimise losses in those cases where fraud has occurred (in close cooperation with the Arrears Management Team).

The Service Centre handles all queries from the intermediaries regarding loan applications, applications for insurances and applications for investment accounts. Furthermore, the Service Centre deals with questions from notaries and borrowers.

To adjust to changes in the number of applications and the resulting changes in workflow, Obvion has hired highly experienced flexible employees. As soon as the workflow tends to increase or peak, the number of working hours of this part of the flexible staff can be extended unilaterally by Obvion up to the agreed maximum.

To ensure that the flexible staff is competent for their various tasks, Obvion hires highly educated employees and applies the same intensive education and training program for its flexible staff as for its permanent staff.

Key figures

Number of loan applications and mortgage deeds Obvion

	loan applications	mortgage deeds
2002 (April – December)	13,500	3,600
2003	32,900	18,900
2004	31,300	21,100
2005	37,000	24,100
2006	46,800	32,200
2007	40,300	29,800
2008	32,400	29,100
2009	16,800	13,100
2010	15,500	11,800
2011	22,300	15,900

As of 31 December 2011 Obvion services a mortgage portfolio of around 178.300 mortgage loans, including circa 146,000 loans serviced for third parties (RMBS, ABP, Private Placements).

Mortgage portfolio Obvion at 31 December 2011	€ 6,6 bn.
Off balance mortgage portfolio originated by Obvion at 31 December 2011	€ 20,6 bn.
Mortgage production Obvion in 2011	€ 3,0 bn.
Estimated mortgage production Obvion in 2012	€ 2,5 bn.
Market share of Obvion in terms of new production 2011	5.5%
Estimated market share of Obvion in terms of new production 2012	5,0%
Mortgage portfolio ABP at 31 December 2011	€ 4,4 bn.
Number of mortgage loans ABP at 31 December 2011	40,800

Management

The Management Team of Obvion consists of the following persons:
R. Touwslager (Chief Executive Officer)
J. Smulders (Executive Director)
D.H.M. Brouwers (Manager Control Finance & Information Management)
M.H.L.M. Bronzwaer (Manager Treasury)
J. Maes (Manager Operations)
D.M. Dijkstra (Manager Communication, Sales and Intermediary Affairs)
P.P.J. Otten (Legal)
M. Bakker (Business Change)
C. Tulp (Marketing)

G. Sauren (Human Resource Management)

The Supervisory Board of Obvion consists of the following persons:
P.J.A. van Schijndel (chairman) (Rabobank)
T.J.A.M Cuppen (Rabobank)
E. Van Gelderen (ABP)
A.B.J. ten Damme (ABP)

RABOBANK[4]

Rabobank Group (the "**Rabobank Group**") is an international financial service provider operating on the basis of cooperative principles. At 31 December 2011, it comprises 139 independent local Rabobanks and their central organisation Rabobank Nederland and its subsidiaries. Rabobank Group operates in 46 countries. Its operations include domestic retail banking, wholesale banking and international retail banking, asset management, leasing and real estate. It serves approximately 10 million clients around the world. In the Netherlands, its focus is on broad financial services provision in the Netherlands and primarily on the food and agribusiness internationally. Rabobank Group entities have strong inter-relationships due to Rabobank's cooperative structure.

Rabobank Group is one of the most creditworthy privately owned banks world-wide, which is reflected in the ratings awarded by several rating agencies (Standard & Poor's, Moody's, Fitch Ratings and DBRS). In terms of Tier 1 capital, Rabobank Group is among the world's 30 largest financial institutions (source: The Banker).

Rabobank Group's cooperative core business comprises independent local Rabobanks. Clients can become members of their local Rabobank. In turn, the local Rabobanks are members of Rabobank Nederland, the supralocal cooperative organisation that advises and supports the banks in their local services. Rabobank Nederland also supervises the operations, sourcing, solvency and liquidity of the local Rabobanks. With 872 branches and 2,949 cash-dispensing machines at 31 December 2011, the local Rabobanks form a dense banking network in the Netherlands. In the Netherlands, the local Rabobanks serve approximately 6.8 million retail clients, and approximately 0.8 million corporate clients, offering a comprehensive package of financial services.

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. ("**Rabobank Nederland**") is the holding company of a number of specialised subsidiaries in the Netherlands and abroad. Rabobank International is Rabobank Group's wholesale bank and international retail bank.

At 31 December 2011, Rabobank Group had total assets of € 731.7 billion, a private sector loan portfolio of € 448.3 billion, amounts due to customers of € 329.9 billion, savings deposits of € 140.0 billion and equity of € 45.0 billion.

Capitalisation

At 31 December 2011, Rabobank's tier 1 ratio was 17.0 per cent and the core tier 1 ratio was 12.7 per cent.

Recent Developments

Exchange of Rabobank Member Certificates

In October 2011, the Rabobank Member Certificates were exchanged. On that occasion, holders of former Rabobank Member Certificates received new Rabobank Member Certificate as well as a payment in cash equalling the difference between the former Rabobank Member Certificate's net asset value and the new Rabobank Member Certificate's nominal value. The new Rabobank Member

[4] *Source: Interim Report Rabobank Group 2011 (unaudited)*

Certificates are depository receipts of participation rights directly issued by Rabobank Nederland. The exchange enabled the capital represented by the former Rabobank Member Certificates to continue to be qualified as core capital (common equity tier 1) for Rabobank Nederland.

Issue of Capital Securities

On 9 November 2011, Rabobank Nederland issued U.S.$ 2,000,000,000 perpetual non-cumulative capital securities. Subject to the terms and conditions and in accordance with the procedures as set out in the prospectus dated 7 November 2011, interest on the capital securities will accrue on their prevailing principal amount from (and including) 9 November 2011 to (but excluding) 29 June 2017 at an initial rate of 8.4 per cent. per annum. The capital securities are perpetual securities and therefore have no fixed or final redemption date.

Conversion of Rabo Extra Member Bonds into Rabobank Membership Certificates

On 30 December 2011, Rabobank Nederland exercised its right to convert 25 per cent. of the initial nominal value of Rabo extra member bond into a Rabobank Member Certificate. The conversion has increased the number of Rabobank Member Certificates in issue by 9 million to 268,961,365.

Sarasin sold to Safra

Rabobank sold its equity interest in Swiss-based private bank Sarasin to Safra Group for €844 million in 2011. The sale of Sarasin, which serves private clients outside the Netherlands, will allow Rabobank to sharpen its focus on its strategic core business, i.e. broad market leadership in the Netherlands and worldwide growth in the area of food and agri. This transaction is currently still subject to regulatory approval.

Rabobank acquires full ownership Obvion

On 26 March 2012 Rabobank announced its intention to acquire the remaining shares in Obvion N.V. (“Obvion”) from the other shareholder, Stichting Pensioenfonds ABP. Rabobank already has a 70 per cent. stake in Obvion. This transaction implies that Obvion will be fully owned by Rabobank. The transaction is being carried out subject to a statement of no objection from the Dutch Central Bank. The transaction is expected to be finalised in mid-2012.

Ratings

On 23 January 2012 Standard & Poor’s affirmed the long-term counterparty credit rating of Rabobank Nederland of 'AA' with the outlook negative, in line with the outlook for the sovereign credit rating of The Netherlands.

On 15 February 2012 Moody’s placed the long-term debt and deposit ratings of Rabobank Nederland of 'Aaa' on review for downgrade.

Friesland Bank opts for merger with Rabobank

On 2 April 2012, Rabobank announced that Friesland Bank and Rabobank have reached agreement on the merger of Friesland Bank with Rabobank. For this purpose, Friesland Bank will initially become a wholly owned subsidiary of Rabobank Nederland. The merger of the customers, employees, branches and activities of Friesland Bank with the network of local Rabobanks in the Netherlands will occur during a transition period. This gradual integration is expected to take approximately two years.

STICHTING PENSIOENFONDS ABP[5]

Profile

In 1922 the General Pension Fund for Public Employees (*Algemeen Burgerlijk Pensioenfonds*) ("**ABP**"") was founded to serve as the state pension fund after parliament had adopted the Pension Act 1922 in that same year. The Pension Act 1922 marked the introduction of a new pension arrangement for civil servants.

ABP's core business is to provide collective pension arrangements for employers and employees in the public and education sectors. Over the years, ABP became one of the world's largest pension funds, managing the pensions of approximately 2.8 million people (government and education sector employees), which represented a joint net value of € 246 billion at the end of 2011. A total of approximately 4,000 organisations in the government sectors are associated with ABP.

Until 1996 ABP was required to operate in strict compliance with the General Civil Pension Act (*Algemene Burgerlijke Pensioenwet*) ("**ABP Act**""). In this act it was provided that ABP was only permitted to invest predominantly in the Kingdom of the Netherlands and also largely in risk-free categories (government bonds and loans to lower-tier authorities). In 1980 ABP set up a mortgage business in order to diversify its portfolio and to create an additional investment category. For this purpose, ABP set up the department ABP Mortgages (*ABP Hypotheken*).

Organisational structure

In 1996, ABP was privatised and it no longer fell within the stringent regime of the ABP Act. As part of the privatisation ABP was transformed into a legal foundation (*stichting*) with a new name: "Stichting Pensioenfonds ABP". As of 1 March 2008 the pension fund has been separated from the management company. The management company has become a separate legal entity, a full subsidiary of ABP, that manages ABP's pension administration and all of ABP's assets. The resulting split ensures a modern pension fund governance structure in which there is a clear distinction between policy setting and oversight by the board of trustees of the pension fund and execution by the newly established management organization. The board of trustees exists of representatives of both unions and employers and it has an independent chairperson (currently vacant).

Portfolio in the Netherlands

The mortgage portfolio of ABP consists of mortgages originated through Obvion and its predecessor ABP Hypotheken until 2 April 2002 and mortgage portfolios bought from several Dutch financial institutions.

At the end of 2011 the total amount invested directly in residential mortgages in the Netherlands was € 5.3 billion (marked to market) of which € 5.0 billion (marked to market) is serviced by Obvion.

[5] *Source: Stichting Pensioenfonds ABP (the information in this paragraph is unaudited)*

DESCRIPTION OF PORTFOLIO MORTGAGE LOANS

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

The Portfolio Mortgage Loans (or in case of Portfolio Mortgage Loans consisting of more than one loan part, the aggregate of such loan parts) are secured by a first-ranking, or as the case may be a first and sequentially lower ranking Mortgage Right, evidenced by notarial mortgage deeds (*notariële akten van hypotheekstelling*) entered into by the Seller and the Borrowers and to the extent it relates to the NHG Mortgage Loan Parts only, have the benefit of a NHG Guarantee. The Mortgage Rights secure the relevant Portfolio Mortgage Loan and are vested over property situated in the Netherlands. The Portfolio Mortgage Loans and the Mortgage Rights securing the liabilities arising therefrom are governed by Dutch law.

The Portfolio

The Mortgage Loans forming part of the pool from which the Portfolio Mortgage Loans will be selected (the "**Portfolio** ") has been selected according to the Seller's underwriting criteria, except in the case of NHG Mortgage Loan Parts each of which have been selected according to the criteria of the WEW (see under section *Mortgage Loan Underwriting and Servicing* below). The information set out below in relation to the Portfolio may not necessarily correspond to that of the Portfolio Mortgage Loans actually sold on the Closing Date. After the Closing Date, the portfolio of Portfolio Mortgage Loans will change from time to time as a result of repayment, prepayment, further advances, replacements and repurchase of Mortgage Receivables. For a description of the representations and warranties given by the Seller reference is made to section *Mortgage Receivables Purchase Agreement* below.

The numerical information set out below relates to the Portfolio as of the Portfolio Cut-Off Date and has been extracted without material adjustment from the databases relating to the Mortgage Loans originated by the Seller held at Stater Nederland B.V. The "**Portfolio Cut-Off Date**" is 31 March 2012, provided that in certain cases for calculation purposes 1 April 2012 is used, applying the data as of the Portfolio Cut-Off Date. All amounts mentioned in this section and in the tables below are expressed in euro.

Mortgage types

The Portfolio Mortgage Loans in whole or in part (*leningdelen*) will consist of:

(i) Linear Mortgage Loans (*lineaire hypotheken*);
(ii) Interest-only Mortgage Loans (*aflossingsvrije hypotheken*);
(iii) Annuity Mortgage Loans (*annuïteitenhypotheken*);
(iv) Life Mortgage Loans (*levenhypotheken*);
(v) Investment Mortgage Loans (*beleggingshypotheken)*;

(vi) Savings Mortgage Loans (*spaarhypotheken*);
(vii) Switch Mortgage Loans (*switchhypotheken*);
(viii) Bank Savings Mortgage Loans (*bankspaarhypotheken*).

Each Portfolio Mortgage Loan shall have the benefit of a Risk Insurance Policy taken out by the Borrower with an Insurance Company in the event and to the extent the relevant Portfolio Mortgage Loan exceeds 100 per cent. of the foreclosure value of the relevant property (*executiewaarde*), except in the event of NHG Mortgage Loan Parts which do not include a Life Mortgage Loan, Savings Mortgage Loan or Switch Mortgage Loan which will have the benefit of a separate Risk Insurance Policy in the event and to the extent the relevant Portfolio Mortgage Loan exceeds 80 per cent. of the value of the mortgaged property. In the case of Portfolio Mortgage Loans including a Life Mortgage Loan or Savings Mortgage Loan such Risk Insurance Policy will be included in the relevant Life Insurance Policy or Savings Insurance Policy. Each of the above types of Portfolio Mortgage Loans can be in the form of a construction mortgage.

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

Interest-only Mortgage Loans
Under an Interest-only Mortgage Loan, the Borrower is not obliged to pay principal towards redemption of the relevant Mortgage Loan (or relevant part thereof) until maturity. Interest is payable monthly and is calculated on the outstanding balance of the Mortgage Loan (or relevant part thereof).

Annuity Mortgage Loans
Under an Annuity Mortgage Loan, the Borrower pays a fixed monthly instalment, made up of an initially high and thereafter decreasing interest portion and an initially low and thereafter increasing principal portion, and calculated in such manner that the Annuity Mortgage Loan will be fully redeemed at maturity.

Life Mortgage Loans
Under a Life Mortgage Loan, no principal is paid until maturity but instead the Borrower pays a premium on a monthly basis to the relevant Insurance Company under a Life Insurance Policy taken out with such Insurance Company. The premiums paid by the Borrowers are invested by the relevant Insurance Company in certain investment funds. It is the intention that a Life Mortgage Loan will be fully repaid by means of the proceeds of the Life Insurance Policy.

Investment Mortgage Loans

Under an Investment Mortgage Loan the Borrower does not pay principal prior to the maturity of the mortgage loan, but instead undertakes to invest, on an instalment basis or up front, defined amounts in certain investment funds. The amounts invested take the form of participations in the investment funds selected by the Borrower and are credited to the Investment Account in the name of the relevant Borrower. It is the intention that an Investment Mortgage Loan will be fully repaid with the proceeds of the investments held in the Investment Account.

Savings Mortgage Loans

A Savings Mortgage Loan is combined with a Savings Insurance Policy, which consists of a combined risk and capital insurance policy taken out by the Borrower with ASR or Interpolis in connection with the relevant Savings Mortgage Loan. Under a Savings Mortgage Loan no principal is paid by the Borrower prior to the maturity of the loan. Instead, the Borrower pays a premium on a monthly basis, which consists of a risk element and a savings element. The Savings Premium is calculated in such a manner that, on an annuity basis, the proceeds of the Savings Insurance Policy due by the Insurance Company to the relevant Borrower will be equal to the amount due by the Borrower to the Seller at maturity of the Savings Mortgage Loan.

Switch Mortgage Loans

A Switch Mortgage Loan is combined with a Savings Investment Insurance Policy, which consists of a combined risk and capital insurance policy taken out by the Borrower with Interpolis in connection with the relevant Switch Mortgage Loan. Under a Switch Mortgage Loan no principal is paid by the Borrower prior to the maturity of the loan. Instead, the Borrower pays a premium on a monthly basis, which consists of a risk element and a savings element, which premium is invested in certain investment funds selected by the Borrower and/or deposited into an account held in the name of the relevant Insurance Company with the Seller. The Borrowers may at any time switch (*omzetten*) their investments among such investment funds and to and from said account.

Bank Savings Mortgage Loans

A Bank Savings Mortgage Loan is combined with a Bank Savings Account held by the relevant Borrowers with Robeco Direct N.V. Under a Bank Savings Mortgage Loan no principal is paid by the Borrower prior to the maturity of the loan. Instead, the Borrower on a monthly basis pays a deposit into the relevant Bank Savings Account.

Interest Rates

Obvion offers the following options to the Borrowers regarding the payment of interest:

Fixed Interest

A fixed rate of interest is payable on the Portfolio Mortgage Loans (or relevant part thereof), subject to resets from time to time (2, 5, 6, 7, 10, 12, 15, 20 or 30 years).

Floating Interest (not available in combination with Savings Mortgage Loans and Switch Mortgage Loans)
A variable rate of interest is payable on the Portfolio Mortgage Loans (or relevant part thereof) based on the rate for one-month Euribor plus a margin.

"Obvion Rentevrijheid"
Depending on the type of mortgage, a Borrower can choose for a two-year interest fixation period with the so-called "*Obvion Rentevrijheid*" option. With this option, the Borrower pays a fixed rate of interest during the first 24 months of the Portfolio Mortgage Loan (or relevant part thereof). During this 24 month period, the Borrower has the option to set his future interest payments either at a fixed rate for a period as mentioned under sub-paragraph *Fixed Interest* or at a floating rate as mentioned under sub-paragraph *Floating Interest* above. The 24-month "*Obvion Rentevrijheid*" option period cannot be renewed.

Key Characteristics
The following table is a summary of the key characteristics of the Portfolio as selected on the Portfolio Cut-Off Date. These characteristics demonstrate the capacity to, subject to the risk factors referred to under the section entitled Risk Factors above, produce funds to pay interest and principal on the Notes, provided that each such payment shall be subject to the relevant priority of payments as further described under the section entitled Credit Structure above.

All amounts mentioned below are expressed in euro.

TABLE A
Key Characteristics of the Portfolio as of 31 March 2012

Outstanding Principal Balance	€	902,716,666.52
Outstanding Savings Balance	€	13,132,037.00
Net Outstanding Principal Balance (Net Loan)	€	889,584,629.52
Outstanding construction deposits	€	605,741.87
Number of Mortgages		4,497
Number of Mortgage Loan Parts		9,125
Avererage Loan Balance	€	200,737.53
WALT Foreclosure Value (%)		91.2
WA Seasoning (months)		44.0
WA Remaining Maturity (months)		304
WA Coupon (%)		4.91
WA Remaining Period until Reset (months)		96.7

Loan to Foreclosure Value Ratio

The following table shows the distribution of the Portfolio on 31 March 2012 (both by net outstanding principal balance and number of loans) by reference to their loan to foreclosure value ratio.

TABLE B

Distribution of the pool of Portfolio Mortgage Loans by Loan-to-Foreclosure Value[6]

	number of loans	Net outstanding		% of pool	WAC (%)	WA LtFV (%)
0 < LTFV < 10	14	€	387,024.99	0.04%	4.60	9
10 < LTFV < 20	105	€	5,314,008.29	0.60%	4.75	16
20 < LTFV < 30	206	€	15,309,478.74	1.72%	4.70	26
30 < LTFV < 40	252	€	24,079,934.73	2.71%	4.72	35
40 < LTFV < 50	303	€	39,162,313.36	4.40%	4.67	45
50 < LTFV < 60	450	€	72,549,648.88	8.16%	4.70	56
60 < LTFV < 70	334	€	56,644,800.08	6.37%	4.70	65
70 < LTFV < 80	348	€	69,197,274.77	7.78%	4.72	74
80 < LTFV < 90	302	€	66,204,976.05	7.44%	4.89	86
90 < LTFV < 100	590	€	143,027,774.13	16.08%	4.92	96
100 < LTFV < 110	408	€	102,342,795.89	11.50%	4.96	104
110 < LTFV < 120	659	€	163,997,531.03	18.44%	5.08	116
120 < LTFV < 125	526	€	131,367,068.58	14.77%	5.07	123
Grand Total	4,497	€	889,584,629.52	100.00%	4.91	91

Sizes

The following table shows the distribution of the Portfolio on 31 March 2012 (both by net outstanding principal balance and number of loans) by loan amounts outstanding per Borrower.

TABLE C

Distribution of the pool of Portfolio Mortgage Loans by Loan Size

	number of loans	Net outstanding		% of pool	WAC (%)	WA LtFV (%)
0-100000	771	€	54,636,032.66	6.14%	4.77	42
100000-200000	1,868	€	288,072,825.03	32.38%	4.94	84
200000-300000	1,261	€	309,275,481.04	34.77%	4.94	99
300000-400000	399	€	135,456,628.71	15.23%	4.87	100
400000-500000	122	€	54,689,140.16	6.15%	4.87	103
500000-600000	41	€	22,083,531.61	2.48%	4.62	99
600000-700000	21	€	13,616,123.45	1.53%	5.06	111
700000-800000	7	€	5,309,481.97	0.60%	5.05	100
800000-900000	2	€	1,628,866.72	0.18%	3.52	123
900000-1000000	5	€	4,816,518.17	0.54%	4.74	100
Grand Total	4,497	€	889,584,629.52	100.00%	4.91	91

[6] The Loan-to-Foreclosure-Value of most loans is based on the foreclosure value upon origination of the loans except for a few loans which have been revaluated on a later date. Such a revaluation has exclusively been made in respect of loans which have been increased or decreased and has been based on the foreclosure value upon the day of the alteration.

Weighted Average Interest Rates

The following table shows the distribution of the Portfolio on 31 March 2012 (both by net outstanding principal balance and number of loan parts) by interest rates.

TABLE D

Distribution of the pool of Portfolio Mortgage Loans by interest rates (specified on the basis of loan parts)

	number of loan parts	Net outstanding		% of pool	WAC (%)	WA LtFV (%)
Interest < 2.5	338	€	30,123,343.05	3.39%	1.70	82
3.0 < Interest < 3.5	2	€	424,587.76	0.05%	3.38	92
3.5 < Interest < 4.0	190	€	15,494,714.32	1.74%	3.81	73
4.0 < Interest < 4.5	883	€	80,006,399.19	8.99%	4.23	89
4.5 < Interest < 5.0	2,660	€	257,522,198.53	28.95%	4.74	83
5.0 < Interest < 5.5	3,536	€	366,501,822.15	41.20%	5.18	95
5.5 < Interest < 6.0	1,263	€	119,490,835.73	13.43%	5.66	100
6.0 < Interest < 6.5	250	€	19,900,380.97	2.24%	6.09	106
6.5 < Interest < 7.0	3	€	120,347.82	0.01%	6.52	116
Grand Total	9,125	€	889,584,629.52	100.00%	4.91	91

Mortgage Type

The following table shows the distribution of the Portfolio by loan type on 31 March 2012 (both by net outstanding principal balance and number of loan parts) by mortgage type.

TABLE E

Distribution of the pool of Portfolio Mortgage Loans by Redemption Types (specified on the basis of loan parts)

	number of loan parts	Net outstanding		% of pool	WAC (%)	WA LtFV (%)
Annuity	403	€	13,072,404.53	1.47%	4.91	101
Interest only	6,450	€	694,143,145.73	78.03%	4.87	87
Investment	368	€	26,895,297.47	3.02%	4.87	112
Life	618	€	49,888,699.59	5.61%	4.80	108
Linear	41	€	1,760,749.85	0.20%	4.35	78
Switch	23	€	2,496,402.17	0.28%	4.82	101
Savings	946	€	75,777,601.37	8.52%	5.36	103
Bank savings	276	€	25,550,328.81	2.87%	5.00	107
Grand Total	9,125	€	889,584,629.52	100.00%	4.91	91

Origination Date

The following table shows the distribution of the Portfolio on 31 March 2012 (both by net outstanding principal balance and number of loan parts) by year of origination.

TABLE F

Distribution of the pool of Portfolio Mortgage Loans by year of origination (specified on the basis of loan parts)

	number of loan parts	Net outstanding		% of pool	WAC (%)	WA LtFV (%)
2002	21	€	1,961,845.63	0.22%	5.77	84
2003	176	€	16,786,326.56	1.89%	4.77	76
2004	371	€	32,168,240.45	3.62%	3.69	75
2005	216	€	19,632,459.73	2.21%	4.14	84
2006	389	€	36,467,616.25	4.10%	4.42	87
2007	1,370	€	127,300,079.36	14.31%	4.80	85
2008	4,285	€	437,482,322.91	49.18%	5.17	93
2009	280	€	25,801,915.29	2.90%	4.59	92
2010	457	€	42,346,775.27	4.76%	4.65	92
2011	1,312	€	126,427,544.27	14.21%	4.84	97
2012	248	€	23,209,503.80	2.61%	4.88	100
Grand Total	9,125	€	889,584,629.52	100.00%	4.91	91

Geographical distribution

The following table shows the distribution of the Portfolio on 31 March 2012 (both by net outstanding principal balance and number of loans) by region.

TABLE G

Geographical Distribution of the pool of Portfolio Mortgage Loans

	number of loans	Net outstanding		% of pool	WAC (%)	WA LtFV (%)
Drenthe	182	€	32,352,106.51	3.64%	4.80	91
Flevoland	103	€	18,842,874.99	2.12%	5.03	97
Friesland	159	€	27,246,207.46	3.06%	4.81	86
Gelderland	612	€	118,813,246.31	13.36%	4.96	87
Groningen	222	€	37,137,552.44	4.17%	4.84	95
Limburg	429	€	75,573,240.47	8.50%	4.91	92
Noord-Brabant	895	€	182,247,756.86	20.49%	4.88	90
Noord-Holland	577	€	129,975,342.57	14.61%	4.87	93
Overijssel	324	€	56,881,501.65	6.39%	4.90	90
Utrecht	314	€	72,740,934.11	8.18%	4.94	93
Zeeland	41	€	6,964,016.41	0.78%	5.10	90
Zuid-Holland	639	€	130,809,849.74	14.70%	4.95	93
Grand Total	4,497	€	889,584,629.52	100.00%	4.91	91

Interest Reset Dates

The following table shows the distribution of the Portfolio on 31 March 2012 (both by net outstanding principal balance and number of loan parts) by interest reset year.

TABLE H

Distribution of the pool of Portfolio Mortgage Loans by interest reset dates (specified on the basis of loan parts)

	number of loan parts	Net outstanding		% of pool	WAC (%)	WA LtFV (%)
2012	714	€	61,881,450.23	6.96%	2.91	85
2013	654	€	63,952,505.31	7.19%	4.83	90
2014	271	€	22,308,352.52	2.51%	4.87	83
2015	495	€	47,911,702.86	5.39%	4.71	93
2016	606	€	58,944,060.22	6.63%	4.60	101
2017	541	€	47,058,759.21	5.29%	4.89	88
2018	2,400	€	245,402,077.35	27.59%	5.23	97
2019	303	€	28,039,228.05	3.15%	5.28	87
2020	294	€	28,726,083.45	3.23%	5.03	94
2021	636	€	66,426,317.66	7.47%	5.07	95
2022	288	€	27,248,442.78	3.06%	4.87	88
2023	138	€	12,497,339.02	1.40%	5.40	86
2024	48	€	3,808,048.64	0.43%	5.50	80
2025	71	€	6,596,468.93	0.74%	4.56	82
2026	245	€	22,348,814.89	2.51%	4.71	85
2027	390	€	36,374,744.12	4.09%	4.89	82
2028	428	€	46,389,138.48	5.21%	5.39	85
2029	4	€	440,104.12	0.05%	5.71	71
2030	6	€	370,378.71	0.04%	5.56	76
2031	18	€	1,569,755.57	0.18%	6.08	96
2034	1	€	99,246.32	0.01%	5.50	96
2036	1	€	21,000.00	0.00%	4.90	65
2037	166	€	16,702,004.35	1.88%	5.08	84
2038	401	€	44,029,914.29	4.95%	5.44	86
2039	2	€	98,632.43	0.01%	6.00	103
2040	1	€	144,000.00	0.02%	5.60	86
2041	3	€	196,060.01	0.02%	6.16	58
Grand Total	9,125	€	889,584,629.52	100.00%	4.91	91

Property type

The following table shows the distribution of the Portfolio (both by net outstanding principal balance and by number of loans) by type of underlying property.

TABLE I

Distribution of the pool of Portfolio Mortgage Loans by property type

	number of loans	Net outstanding		% of pool	WAC (%)	WA LtFV (%)
Condominium	609	€	99,048,626.12	11.13%	5.00	97
Condominium with garage	38	€	7,288,664.76	0.82%	4.68	80
Residential Farm house	37	€	11,624,127.62	1.31%	4.72	90
Single family house	2,804	€	547,803,977.70	61.58%	4.88	92
Single family house with garage	1,009	€	223,819,233.32	25.16%	4.94	88
Grand Total	4,497	€	889,584,629.52	100.00%	4.91	91

Age

The following table shows the distribution of the Portfolio (both by net outstanding principal balance and by number of loans) by age of the main borrower.

TABLE J

Distribution of the pool of Portfolio Mortgage Loans by age of the main borrower

	number of loans	Net outstanding		% of pool	WAC (%)	WA LtFV (%)
20-30	295	€	55,428,952.91	6.23%	5.20	110
30-40	989	€	235,857,617.98	26.51%	5.05	106
40-50	1,206	€	273,527,402.97	30.75%	4.84	93
50-60	1,049	€	190,120,568.02	21.37%	4.87	81
60-70	682	€	103,856,692.29	11.67%	4.77	72
70-80	234	€	26,815,633.44	3.01%	4.60	57
> 80	42	€	3,977,761.91	0.45%	4.50	51
Grand Total	4,497	€	889,584,629.52	100.00%	4.91	91

Employment type

The following table shows the distribution of the Portfolio (both by net outstanding principal balance and by number of loans) by employment type.

TABLE K

Distribution of the pool of Portfolio Mortgage Loans by employment type

	number of loans	Net outstanding		% of pool	WAC (%)	WA LtFV (%)
Employed	3,745		778,979,280	87.57%	4.94	94
Other	584		69,323,828	7.79%	4.67	61
Self-employed	168		41,281,522	4.64%	4.69	85
Grand Total	4,497	€	889,584,629.52	100.00%	4.91	91

Income

The following table shows the distribution of the Portfolio (both by net outstanding principal balance and by number of loans) by income of the borrower.

TABLE L

Distribution of the pool of Portfolio Mortgage Loans by income

	number of loans	Net outstanding	% of pool	WAC (%)	WA LtFV (%)
10,000 < income <= 20,000	205	14,344,081	1.61%	4.76	50
20,000 < income <= 30,000	715	80,687,615	9.07%	4.93	79
30,000 < income <= 40,000	923	141,925,939	15.95%	5.01	89
40,000 < income <= 50,000	802	146,291,880	16.44%	4.90	90
50,000 < income <= 60,000	624	135,608,385	15.24%	4.93	95
60,000 < income <= 70,000	452	110,857,485	12.46%	4.87	95
70,000 < income <= 80,000	323	90,085,041	10.13%	4.90	94
80,000 < income <= 90,000	162	53,127,564	5.97%	4.92	98
90,000 < income <= 100,000	113	40,200,101	4.52%	4.80	97
100,000 < income <= 250,000	174	75,250,876	8.46%	4.79	98
250,000 < income	4	1,205,661	0.14%	4.91	99
Grand Total	4,497	€ 889,584,629.52	100.00%	4.91	91

NHG Guarantee

The following table shows the distribution of the Portfolio (both by net outstanding principal balance and by number of loans) by mortgage loan parts with the benefit of a NHG Guarantee.

TABLE M

Distribution of the pool of Portfolio Mortgage Loans by mortgage loan parts with the benefit of a NHG Guarantee (specified on the basis of loan parts)

	number of loan parts	Net outstanding	% of pool	WAC (%)	WA LtFV (%)
N	8,714	€ 856,155,414.62	96.24%	4.92	91
Y	411	€ 33,429,214.90	3.76%	4.66	104
Grand Total	9,125	€ 889,584,629.52	100.00%	4.91	91

NHG GUARANTEE PROGRAMME

NHG Guarantee

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

Since 1 January 1995 '*Stichting Waarborgfonds Eigen Woningen*' (the "**WEW**"), a central privatised entity, is responsible for the administration and granting of the NHG Guarantee, under a set of uniform rules. The NHG Guarantee covers the outstanding principal, accrued unpaid interest and disposal costs. Irrespective of scheduled repayments or prepayments made on the mortgage loans, the NHG Guarantee reduces on a monthly basis by an amount which is equal to the amount of the principal portion of the monthly instalment calculated as if the mortgage loan were being repaid on a 30 year annuity basis. Information on the WEW and the NHG Guarantee can be found on www.nhg.nl.

Financing of the WEW

The WEW finances itself, *inter alia*, by a one-off charge to the borrower of 0.70 per cent. (as of 1 January 2012) of the principal amount of the mortgage loan. Between 1 January 2010 and 1 January 2012 this percentage was 0.55. Besides this, the NHG scheme provides for liquidity support to the WEW from the Dutch State and, in respect of guarantees issued prior to 1 January 2011, from the participating municipalities. Should the WEW not be able to meet its obligations under guarantees issued, the Dutch State will provide subordinated interest free loans to the WEW of up to 50 per cent. and, only in respect of guarantees issued as from 1 January 2011, 100 per cent. of the difference between the WEW's own funds and a pre-determined average loss level. In respect of guarantees issued prior to 1 January 2011 the municipalities participating in the NHG scheme will provide subordinated interest free loans to the WEW of the other 50 per cent. of the above mentioned difference. Both the "keep well" agreement (*achtervangovereenkomst*) between the Dutch State and the WEW and the "keep well" agreements between the municipalities and the WEW contain general 'keep well' undertakings of the Dutch State and the municipalities to enable the WEW at all times (including in the event of bankruptcy (*faillissement*), suspension of payments (*surseance van betaling*) or liquidation (*ontbinding*) of the WEW) to meet its obligations under guarantees issued.

The NHG Conditions

Under the NHG scheme, the lender is responsible for ensuring that the guarantee application meets the terms and conditions (*Voorwaarden en Normen*) of the NHG Guarantee (the "**NHG Conditions**""). If the application qualifies, various reports are produced that are used in the processing of the application, including the form that will eventually be signed by the relevant lender and forwarded to the

WEW to register the mortgage and establish the guarantee. The WEW has, however, no obligation to pay any loss (in whole or in part) incurred by a lender after a private or a forced sale of the mortgaged property if such lender has not complied with the NHG Conditions, which were applicable at the date of origination of the mortgage loan, unless such non-payment is unreasonable towards the lender.

The specific terms and conditions for the granting of the NHG Guarantees, such as eligible income, purchasing or building costs etc., are set forth in published documents that will be subject to change from time to time.

The NHG scheme has specific rules for the level of credit risk that will be accepted. The credit worthiness of the applicant must be verified with the National Credit Register (*Bureau Krediet Registratie*) ("**BKR**").

To qualify for a NHG Guarantee various conditions relating to valuation of the property must be met. In addition, *inter alia*, the mortgage loan must be secured by a first ranking mortgage right and/or a first ranking right of pledge (or a second ranking mortgage right and/or a second ranking right of pledge in case of a further advance). Furthermore, the borrower is required to take out insurance in respect of the mortgaged property against risk of fire, flood and other accidental damage for the full reinstatement value thereof. To the extent applicable, the borrower is also required to create a first ranking right of pledge in favour of the lender on the rights of the relevant borrower against the insurance company under the relevant life insurance policy connected to the mortgage loan or to create a first ranking right of pledge in favour of the lender on the proceeds of the investment funds or the balance standing to the credit of the bank savings account associated with a bank savings mortgage loan (*Spaarrekening(en) Eigen Woning*). The terms and conditions also require a risk insurance policy which pays out upon the death of the borrower/insured for the period that the amount of the mortgage loan exceeds 80 per cent. of the value of the property.

The mortgage conditions applicable to each mortgage loan should include certain provisions, among which the provision that any proceeds of foreclosure on the mortgage right and the right of pledge on the life insurance policy, the investment funds or the balance standing to the credit of the bank savings account associated with a bank savings mortgage loan (*Spaarrekening(en) Eigen Woning*) shall be applied firstly towards repayment of the mortgage loan guaranteed under the NHG scheme.

Furthermore, according to the NHG Conditions interest-only mortgage loans are allowed, provided that the interest-only part does not exceed 50 per cent. of the value of the property.

A NHG Guarantee can be issued up to a maximum amount of EUR 350,000 (as of 17 September 2009 until 30 June 2012). As of 1 July 2012 the maximum amount will be decreased. As a result the maximum amount will be EUR 320,000.

Claiming under the NHG Guarantees

When a borrower is in arrears with payments under the mortgage loan for a period of 4 months, the lender within 30 days informs the WEW in writing of the outstanding payments, including the guarantee number, borrower's name and address, information about the underlying security, the date of start of late payments and the total of outstanding payments. The WEW may approach the lender and/or the borrower in order to attempt to solve the problem or to obtain the highest possible proceeds out of the enforcement of the security. If an agreement cannot be reached, the lender reviews the situation to endeavour to generate the highest possible proceeds from the property. The situation is reviewed to see whether a private sale of the property, rather than a public auction, would generate proceeds sufficient to cover the outstanding mortgage loan. Notice should be given to the WEW in case of a private sale. Irrespective of its cause, a forced sale of the mortgaged property is only allowed with the prior written permission of the WEW.

Within 1 month after the receipts of proceeds in relation to the private or forced sale of the property, the lender must make a formal request to the WEW for payment, using standard forms, which request must include all of the necessary documents relating to the original loan and the NHG Guarantee. After receipt of the claim and all the supporting details, WEW must make payment within 2 months. If the payment is late, provided the request is valid, WEW must pay interest for the late payment period.

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

Woonlastenfaciliteit

Furthermore, the NHG Conditions contain provisions pursuant to which a borrower who is in arrears with payments under the existing mortgage loan may have the right to request the lender for a so-called *woonlastenfaciliteit* as provided for in the NHG Conditions. The aim of the *woonlastenfaciliteit* is to avoid a forced sale by means of a bridging facility (*overbruggingsfaciliteit*) to be granted by the relevant lender. The bridging facility is guaranteed by the WEW. The relevant borrower needs to meet certain conditions, including, *inter alia*, the fact that the payment arrears are caused by a divorce, unemployment, disability or death of the partner.

MORTGAGE LOAN UNDERWRITING AND SERVICING

Obvion's Origination Process

In order to implement its strategy, Obvion develops and executes a marketing and sales plan based on market analyses carried out by Obvion that may result in the development of new mortgage products. Obvion distributes its products through professional independent intermediaries and is focussed on maintaining its clients.

This section gives an overview of the entire origination process for loans with a guarantee of the WEW as well as loans without such a guarantee, starting from the distribution of the loans through intermediaries until the mortgage loan becomes active. Furthermore, it provides insight into the division of tasks between the intermediaries and Obvion in the origination process and the supporting role of Stater (as defined below) and its mortgage information system in the origination and arrears management process.

Independent intermediaries

Obvion distributes its mortgage loans exclusively through independent, professional (Dutch) intermediaries. The intermediaries are real estate brokers, insurance brokers or mortgage advisors. These parties can either be part of an organised network (franchise) or operate as a separate entity. Obvion cooperates with a total of approximately 1,550 intermediaries throughout the Netherlands.

Within Obvion, one sales manager and twelve account managers are responsible for the selection of and the relationship with the intermediaries. All intermediaries selected by the account managers have to be licensed according to the Act on the Financial Supervision (*Wet op het financieel toezicht*) and have to meet the criteria of excellent advise.

Stater Nederland B.V.

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

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

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

Stater provides activities consisting of mortgage payment transactions and ancillary activities with regard to a total of more than EUR 174 billion and approximately 970,000 mortgage loans. In the Netherlands, Stater has a market share of about 30 per cent.

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

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

In November 2011, rating agency Fitch Ratings affirmed Stater residential "primary servicer" rating at 'RPS1-NL'. With this rating, which Stater received for its role as "primary servicer", Stater is the top scoring service provider in Europe. Ratings are awarded on a scale from 1 to 5, with 1 being the highest possible ranking.

In December 2011 KPMG Netherlands, the company's external auditor, issued an ISAE 3402 Type II assurance report on internal processes at Stater for the period 1 January 2011 until 31 October 2011. ISAE 3402 is an internationally recognized assurance standard for reporting on control processes of service organisations. The audit by external auditors is done annually.

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

Obvion and Stater

In order to support its mortgage origination and servicing process, Obvion has entered into an agreement with Stater.

Obvion is responsible for marketing and sales support. The advisory role lies with the intermediary while client retention contacts fall within the activities and responsibilities of Obvion. In addition, the entire mortgage quote, acceptance, lending and servicing process is in the hands of Obvion, with the exception of collection of regular payments of interest and/or principal under mortgage loans. This collection falls within the services rendered by Stater, which is authorised to use the account of Obvion for these collection activities. Stater is also responsible for giving the civil law notary instructions and settling outgoing payments including arranging that the mortgage deed for the loan being extended is drawn up in the name of and for the account and risk of Obvion. Obvion is responsible for query handling as well as for arrears and default management and client file management. Stater also periodically provides information on the rendered services.

Mortgage offering process

The intermediary initiates the mortgage loan quote process after a client has opted for Obvion as the lender. The intermediary has all consumer brochures on the Obvion products as well as an extensive manual outlining Obvion's underwriting criteria, conditions and application forms on paper and electronically via the Obvion portal (the "**Obvion Portal**"), the special internet site of Obvion. The intermediary enters the loan application (or change) data and passes this on to Obvion either electronically via the Obvion Portal or "HDN" – the Mortgage Data Network- or on paper. At present, more than 95 per cent of applications are electronically sent by the intermediary to Obvion. Electronic

applications are processed within 1 business day whereas applications submitted by fax/mail are processed within 3 business days.

An employee of Obvion responsible for handling applications ensures that the data received by traditional mail or by fax is entered into the Obvion portal on behalf of the intermediary. Applications entered into the Obvion Portal or received by HDN are automatically entered into iSHS, in most cases without interference of an employee of Obvion. iSHS performs acceptance checks automatically on the basis of the underwriting criteria of Obvion (including a credit score), the criteria of the WEW, if applicable, and the general criteria and conditions of mortgage loans. Credit history (see section on Credit Registration Office, 'BKR') and fraud detection checks via Obvion's Fraud Prevention System (FPS) and Stichting Fraudebestrijding Hypotheken iSFH (Foundation Anti Fraud Mortgages) are automatically performed and the land registry is checked to find out whether the applicant has (had) any current or recent credit payment problems and to identify fraud cases. If iSHS gives a 'stop' advice (i.e. if one of the underwriting criteria is not satisfied) the application will be individually assessed by the underwriting specialist. In this case it is up to this specialist to assess whether the failure to satisfy all the underwriting criteria is material and whether the loan entails an increased risk, and if so, whether this risk is acceptable. If the specialist decides to overrule the system, with or without demanding any additional requirements for the loan application, he/she must provide a written explanation for doing so and store that explanation in the system. These overrules are periodically evaluated by management and the Compliance Department.

If the non-fulfilment of the underwriting criteria is considered to be more than marginal but the underwriting specialist considers the risk acceptable, he/she will submit a proposal to the Krediet Commissie Acceptatie (Credit Underwriting Committee), which will deal with the proposal at one of its weekly meetings. The Credit Underwriting Committee consists of the manager Sales, manager Treasury and/or manager Credit Risk Treasury, manager Underwriting, a senior underwriting specialist and the underwriting specialist who submitted the proposal. Incidentally, the Credit Underwriting Committee also consists of the CEO.

In the case of an application of a loan part with an application for a NHG Guarantee, a 'stop' advice resulting from the fact that one or more criteria of the WEW are not met, can not be overruled.

In the case of an approval either by iSHS, the underwriting specialist or the Credit Underwriting Committee, Obvion will send a proposal for the mortgage loan and the applicable conditions to the client via the intermediary. This proposal is valid for 2 or 3 weeks (depending on the product type). The client has to accept, sign and return the proposal to Obvion within this timeframe. Upon acceptance, the proposal is valid for a period of 3 or 4 months (depending on the product type, calculated from the date of sending of the proposal) and granting the loan is still subject to the receipt of all required documents and final acceptance. Depending on the product type and only in the case when the mortgage loan is needed to buy a house of which delivery is delayed, an extension of the validity of the proposal up to a maximum of 4, 8 or 12 months is possible (depending on the product type). In that

case, all relevant documents, including the purchase agreement are required and should be sent to and approved by Obvion within 2 months after the proposal was sent to the borrower. All relevant documents received by Obvion are immediately scanned into Hyarchis. At the same time notification is sent to the intermediary in order to inform the applicant that the loan will be granted. As soon as this is done, all relevant data are recorded in iSHS, after which Stater will inform the civil law notary. Subsequently the civil law notary confirms the transfer date to Obvion. Entering this date into iSHS alerts Stater that it should transfer the amount of the mortgage loan by debiting the account of Obvion to a separate account of the civil law notary. This so-called third party account is used temporarily until the legal transfer of the collateral has been executed. After the transaction is finalised, the civil law notary will send all relevant documents (such as the mortgage deed) to Obvion. Obvion scans the documents into the electronic file. After completion of this filing, Stater will enter the mortgage loan into the administration system of Obvion. From this moment onwards the status of the mortgage loan is 'active'.

As soon as a mortgage loan with a NHG Guarantee is active, the WEW is informed of the new mortgage loan.

Application of savings mortgage loans

Next to the savings mortgage loans with an attached policy of ASR, Obvion introduced the Bank Savings Mortgage Loans with a blocked savings account held with Robeco Direct. Until 1 October 2010, Obvion originated the SpaarGarant mortgage loan. As of 1 October 2010, the SpaarGarant mortgage is no longer originated by Obvion. Under a Switch Mortgage Loan, borrowers had the ability to switch to the SpaarGarant mortgage loan until 14 December 2010. The SpaarGarant mortgage loan can still be included in STORM transactions and/or further advance receivables.

Application of bank savings mortgage loans and savings mortgage loans with an attached policy of ASR

The application data of the savings mortgage loan including the application data regarding the insurance policy are entered into the Obvion Portal. The application data regarding the mortgage loan and regarding the insurance policy or bank savings account respectively are automatically passed through to the iSHS. In case of a savings mortgage loan with an attached insurance policy a calculation is made in a separate tool of ASR, respectively. The relevant data for the offer of the mortgage loan, the savings insurance and/or the bank savings account are automatically sent back to the Obvion Portal to produce a combined/integrated proposal for the mortgage loan as well as for the bank savings contract or savings insurance respectively

After the applicant has accepted the proposal the intermediary returns the signed proposal to Obvion**.** In case of a bank savings mortgage loan the applicant also has to sign a three party contract (between the borrower, Robeco Direct and Obvion) in which parties agree to pledge the savings account to Obvion and immediately repledge the account to Robeco Direct. As soon as Obvion has received and approved all relevant documents (including the medical acceptance by the insurance company in the

case of a savings mortgage loan with an attached insurance policy), the civil law notary will be instructed to draft the relevant mortgage deed in order to pledge the bank savings account or the savings insurance policy to Obvion. At the same time Robeco Direct will be requested to open the bank savings account or the insurance company will be requested to issue the (savings) insurance policy, a copy of which is sent to Obvion.

Underwriting criteria

For mortgage loans which have the benefit of a NHG Guarantee the criteria of the WEW are applicable. Both these criteria and the underwriting criteria of Obvion are incorporated in iSHS. As soon as WEW or Obvion changes the criteria Stater is ordered to update the underwriting criteria in iSHS. The most important criteria in relation to the borrower, the collateral and the loan terms and conditions are explained below. In order to qualify for a NHG Guarantee the underwriting criteria must comply with all requirements set by the WEW. This therefore means that the criteria described below only apply in respect of the NHG Mortgage Loan Part to the extent permitted under the WEW and to the extent no other requirements set by the WEW apply (see for more information *NHG Guarantee Programme*).

Code of conduct

As per 1 August 2011 the code of conduct for mortgage lending ("*Gedragscode Hypothecaire Financieringen*") has changed. Under the new code of conduct the maximum loan amount is 104% of market value plus transfer tax. Furthermore the interest only part is capped at 50% of market value. The code of conduct allows exceptions for borrowers who refinance their mortgage.
The underwriting criteria of Obvion are in compliance with the new code of conduct.

The Collateral

The collateral must in all cases meet the following requirements:

- it is located within the Netherlands;
- it will be owned by the borrower no later than date of conveyance of the mortgage deed;
- it is intended and suitable for permanent occupation by the borrower (no buy-to-let);
- loan applications for combined residential/retail premises are accepted, provided the residential part makes up at least 50% of the estimated foreclosure value;
- the maximum loan amount to be extended for apartments/condominiums is 100% of the foreclosure value of the premises (as per 1 August 2011, 90% of market value) unless the appraisal report states that the condition of the apartment is "sufficient", the expected selling time of the property is qualified as "current" (can be sold within 6 months), there are no special remarks in the valuation report and there is an active Association of Owners (*Vereniging van Eigenaren*). In that case the maximum loan amount can be 125% of the foreclosure value (as per 1 August 2011, 90% of market value); and
- the maximum loan amount to be extended for newly built houses is 112.5% of the foreclosure value (as per 1 August 2011, 104% of market value).

Borrower

The borrower must be a natural person of at least 18 years old and must have full legal capacity. If the mortgage loan is applied for by two persons, they are both jointly and severally liable for the loan and must both sign the mortgage deed.

The income must be of a continuous nature (gross wage or salary, 13th month and holiday allowance, other structural emoluments). To enable Obvion to determine the income of a borrower who is self-employed, the borrower must provide Obvion with balance sheet, profit and loss accounts and income tax statements over the past 3 years. Furthermore, an extract of the Chamber of Commerce showing the registration of such borrower is required from this type of borrowers. Applications of self employed borrowers are assessed by underwriters specialised in this type of borrowers. The underwriter can on a case by case basis ask for additional information and documents.

The loan amount is calculated on the basis of the so-called 'income ratio', which is the percentage of (gross) annual income available for mortgage loan expenses. The income ratio is established every year by NIBUD (*National Instituut voor Budgetvoorlichting*) and is applicable for all mortgage loans, including non-NHG mortgage loans. Taking the relevant mortgage interest rate (for interest fixation periods < 10 years a minimum interest rate is applicable) and the relevant income into account, this is then converted into the maximum loan amount. For 2012 the ratio, applicable for borrowers with an age of up to 65 years, ranged from 20.8% for the lowest income category (< € 18,500) to 38.3% for the highest income category (> € 100,000). In the case of double-income households, the income of both partners can be counted in full but the applicable ratio is limited to the ratio for the highest income.

Another criterion is that the potential borrower has a sound credit history. A check on credit history is always carried out through the BKR. The standard policy of Obvion is to deny an application if the BKR check shows that the potential borrower has or had an A-code (an exception is made in the case that the potential borrower has one A-code, that this code is an A1 code and that this code is recovered), indicating that the borrower is or has been in arrears on any of the financial obligations that are monitored by the BKR. In addition Obvion also checks the identity of the applicants through the identity verification system (*Verificatie Informatie Systeem; VIS*) of the BKR.

Mortgage Loan amount

The minimum principal sums of the mortgage loan (which may consist of different parts) are:
Initial mortgage loan: € 20,000
Further advances: € 5,000 (€ 20,000 in the case of savings mortgage loans and bank savings mortgage loans)

The maximum loan amount is € 750,000. Above this amount, the underwriting specialist can overrule if the application fulfils all other underwriting criteria without exception and the Credit Underwriting Committee is informed subsequently. For loan amounts in excess of € 1,000,000 (for self-employed borrowers € 750,000) the upfront approval of the Credit Underwriting Committee is needed.

The maximum loan amount is 125% of the foreclosure value of the collateral (as per 1 August 2011, 104% of market value plus transfer tax).

The interest-only part of the loan may not exceed 100% of the foreclosure value (as per 1 August 2011 50% of market value). The maximum loan amount to be granted to a borrower is calculated based on a 30 year annuity. Depending on the LTFV, the following risk surcharges on the mortgage base rate are applicable (NB: the base rate is applicable to mortgage loans with a LTFV <= 60%).

NHG	- 0.2%
LTFV > 60%, <= 75%	0.1%
LTFV > 75%, <= 100%	0.2%
LTFV > 100%, <= 125%	0.3%

In the case of a further advance in the mortgage loan, the new loan component is added to the existing loan. The new loan component is subject to the current interest rate and an applicable rate differentiation is applied to the entire loan, unless all the loan components in question are guaranteed (NHG). The current general terms and conditions applicable in respect of mortgage loans originated by Obvion are applicable to both the new loan component and all existing loan components.

In respect of the mortgage loans which have a NHG Guarantee, the maximum loan amount is equal to the sum of the purchase price plus several costs but never more than a maximum established by the WEW year on year.

Documents to be provided by the borrower

Valuation Report

The borrower needs to provide Obvion with an original valuation report, which must not be older than 6 months. The valuation must be done by a certified appraiser, who is not in any way involved in the sale of the property or the financing of the mortgage loan and who should be a member of NWWI (*Nederland Woning Waarde Instituut*). The valuation report itself must be in a standardised format. In respect of mortgage loans, other than mortgage loans with a NHG Guarantee, the absence of a recent valuation report is only permitted in the case of a mortgage loan:

(a) on a newly built property; or

(b) on an existing property, if the loan amount does not exceed 75% of the foreclosure value (as per 1 August 2011 65% of market value).

Under (a), foreclosure value is determined by Obvion as a percentage of the acquisition price of the property (85% or 90% depending on the acquisition price). As from December 2007 under (a) the foreclosure value is equal to the development costs of the property. However the maximum loan amount in these cases is 112.5% of foreclosure value. As per 1 August 2011 the development costs of the property are considered to be the market value. The maximum loan amount as of that date for newly built houses is 104% of the market value. With regard to (b), the value determined in the most

recent appraisal report of the municipality (*WOZ-beschikking*) will be used as the foreclosure value. As from July 2008 the foreclosure value with regard to (b) is calculated as 90% of the value determined in the most recent appraisal report of the municipality. The value determined in the most recent appraisal report is considered to be the market value.

Other Documents
In addition to the income data and the valuation report as described above, the applicant shall provide Obvion with a copy of the sale contract or the combined purchase agreement and building contract. In exceptional cases it is allowed not to comply fully with the code of conduct. In these cases the code of conduct requires explains. The applicant has to provide Obvion with documents regarding these explains. The possibilities for explains are very limited and always need approval of the Credit Underwriting Committee. In the case of an application for a savings mortgage loan, a completed application form for the savings mortgage insurance and a medical certificate will also be requested. With a life mortgage loan, either an existing policy or a copy of the insurance quote must be submitted.

Obvion's collection and servicing processes
Computer systems
iSHS is the key computer system in the portfolio servicing activities of Obvion. In addition to iSHS, Obvion uses several other computer systems and software applications. Some of these systems and applications serve to support and process the filing of both electronic mortgage files and paper files. Next to iSHS, the most important computer system and application is HYARCHIS. The systems mentioned will be addressed in the following paragraphs.

Mortgage Information system: International Stater Hypotheek Systeem (iSHS)
By means of its automated mortgage information system iSHS, Stater offers services in relation to the assessment of applications for mortgage loans, including applications for mortgage loans with a NHG Guarantee, initiating the drafting of agreements and other documents required for the execution of mortgage loans, the payment and handling of mortgage loans and/or savings insurances and/or bank savings accounts and the collection of whatever is owed on account of mortgage loans and/or the insurances linked to these loans.

All underwriting criteria and standards specified by Obvion as well as the criteria of the WEW regarding mortgage loans with a NHG Guarantee are entered into iSHS. iSHS is designed in such a way that it can automatically carry out eligibility checks with regard to the loan application after all relevant data are entered. If the loan application is in accordance with all underwriting criteria and all specific requirements are met, iSHS will automatically process a mortgage rate proposal. If the loan application fails one (or more) of the criteria, iSHS will produce a 'warning' by interrupting the process (a so-called 'stop'). During the life/maturity of a mortgage loan, iSHS handles all automated activities and all automated communication with borrowers (e.g. communication regarding approaching of interest reset dates and arrears). Obvion handles all other (customised) communication with borrowers. All written communication will be stored in the electronic mortgage file.

Back-up facilities and security of iSHS

Obvion has subscribed to the general ESCROW agreement that Stater has concluded with an ESCROW agent. Under this agreement, the source codes of Stater can continue to be used in the event that Stater goes bankrupt or ceases to exist for some other reason. In addition, Stater will arrange for on-line, immediate back-ups of applications and all Obvion data stored in the iSHS. If any data and/or applications of Obvion are destroyed or are rendered unusable, Stater will restore these data and/or applications. Stater operates a second system in De Meern alongside the primary system in Amersfoort, which duplicates the administration of all data on a near real-time basis. iSHS is updated and upgraded regularly resulting in 6 new releases every year. Changes in relevant legislation are, if necessary, incorporated in iSHS.

HYARCHIS

HYARCHIS is the computer system used by Obvion for the scanning and imaging of all relevant documents regarding mortgage loans. All documents (regarding origination as well as servicing) are scanned into HYARCHIS. HYARCHIS is owned by an external party (Van der Doelen groep).

Obvion Portal

Obvion has developed the Obvion Portal on the internet. The Obvion Portal enables the intermediaries to enter the application data directly into iSHS. During the data entry the application data are checked. Application data are only passed through to iSHS if they are valid.

Cash flows and bank accounts

Obvion's mortgage activities cause certain cash flows between Obvion, ABP, Stater, several special purpose entities and other involved parties, such as the civil law notary, the borrowers, the insurance companies and the intermediaries.

Obvion provides the funding for the mortgage loans. For this purpose Obvion deposits funds in a bank account. The same account is used as a collection account in which amounts related to interest, prepayments, instalments or principal are paid. Obvion has authorised Stater to manage the account and execute the relevant payments on its behalf. Stater is not responsible for the collection of insurance premiums in relation to the mortgage loans originated by Obvion, if applicable. The borrower pays these premiums directly to the insurance companies.

In the case of a savings mortgage loan or switch mortgage loan, the premiums paid by the borrower to ASR or Interpolis will be passed on by ASR or Interpolis to Obvion on separate bank accounts of Obvion on a monthly basis. In case of a bank savings mortgage loan Obvion collects the savings moneys on behalf of Robeco Direct.

Furthermore, Obvion uses a bank account for all cash flows, which are not related to principal and interest, e.g. payments of the monthly fee to Stater are paid from this account. Obvion also uses this account to pay production fees and bonuses to the intermediaries and to collect the production fees and bonuses paid by the insurance companies.

Obvion's arrears and default management

The credit management policy of Obvion is focussed on detecting/contacting borrowers who fail to keep up their payments as early as possible. Within the Servicing and Arrears Management team, the credit management specialists are trained in, and carry overall responsibility for, the credit control function. They maintain contact with the borrower, decide what route should be followed, make payment arrangements with clients and maintain contact with bailiffs, etc. Arrears regarding mortgage loans with a NHG Guarantee are managed according to the relevant rules of the WEW.

Certain actions or arrangements must be submitted to the Krediet Commissie Beheer (Credit Management Committee) which consists of the manager Marketing and Sales, manager Treasury, Credit Risk Manager Treasury, manager Arrears and Default Management, a senior credit management specialist, and the relevant credit management specialist. The Krediet Commissie Beheer (Credit Management Committee) convenes every week.

Obvion evaluates the credit management experiences and the findings are reported to the underwriting specialists and management. The experiences are used to improve the acceptance policy and the acceptance process.

Arrears management process

Direct debit

On the 22nd day of each month, Stater delivers direct debit instructions via Secure FTP to Equens, after which the amount payable is debited from the borrower's account 2 business days before the end of the month. The monthly processing of the direct debits in iSHS by Stater takes place not later than the first weekend of the subsequent month**.**

Actions and timeline

If, after the monthly processing, iSHS identifies any borrowers who have failed to pay the monthly interest/instalments, iSHS will automatically generate a reminder that is sent to the borrower within 7 days. iSHS also calculates default interest penalties. If the debtor continues to fail to settle the monthly interest/instalments another automatically generated reminder/warning is sent 14 days later (21 days after the first arrear).

If this second reminder/warning does not result in payment of the arrears by the borrower, Obvion will inform the Intermediary. At the same time, Obvion will try to contact the borrower by phone to find out the reason of non-payment and to investigate the possibilities of making arrangements to repay the

arrears. Obvion will in some cases (e.g. interest only mortgage loans) change the type of loan (e.g. to a loan on an annuity basis). In the case of a bank savings mortgage loan Obvion will pay the accrual to the bank savings account for 6 months to ensure the savings value. After 6 months the bank savings mortgage loan can be changed to a different type of loan, if deemed necessary.

Obvion applies several instruments in order to prevent or minimise losses. In some cases an independent budget planner will be involved. The budget planner helps the borrower to rearrange his financial situation in order to enable the borrower to pay his mortgage (interest and redemption) (approximately 37 days after the first arrear). Furthermore an arrears and default management specialist may decide that it could be useful that an Obvion employee pays the borrower a visit in order to get more insight in the possibilities of making arrangements with the borrower to repay arrears and or to minimise losses. Moreover in some cases Obvion may allow a borrower to pay no or only part of the monthly payable interest for a limited period of time. Finally Obvion may allow a borrower to let the mortgaged property under specific conditions and for a limited period of time, On a case-by-case basis it is decided if and which of these instruments will be used.

If, in the opinion of Obvion, it makes sense, Obvion will instruct a bailiff to try to contact the borrower and try to establish an attachment of part of the borrower's income. If the bailiff is successful with the attachment, this phase can take approximately 3 months.

The minimum selling price of the mortgaged property, which is a best estimate by an independent qualified valuer or surveyor of the current market value of the property, will be set for the property after approximately 75 days after the first arrear.

Should all efforts of Obvion and/or the bailiff not be successful, the Credit Management Committee will be asked by the credit management specialist to approve that Obvion demands repayment of the loan and if necessary to foreclose the loan (approximately 105-155 days after the first arrear). The credit management specialist provides the Credit Management Committee with all relevant information in relation to the loan and the total outstanding debt, the minimum selling price of the mortgaged property, the collateral, the current financial situation of the borrower(s) and the value of any other security provided (for example insurance policies).

After approval of the Credit Management Committee the borrower is required to repay the entire debt, including all amounts of principal, arrears, penalties and costs incurred (approximately 110-170 days after the first arrear).

If the borrower does not repay the loan within 7 days after the last request, a notary will be instructed to prepare the auction of the mortgaged property (approximately 120-177 days after the first arrear). In respect of a mortgage loan with a NHG Guarantee Obvion is required to ask permission from WEW in accordance with the terms and conditions of the NHG Guarantee and to notify the parties, directly involved, if it wants to sell the mortgaged property.

The civil law notary can make a last effort to reach a settlement with the borrower. If the notary is not successful, the public auction proceedings are initiated and Obvion or the notary, on behalf of Obvion, starts enforcing any other collateral (including, but not limited to, the rights of any pledge granted by the relevant borrower as security for its payment obligations towards Obvion). Prior to this auction, the civil law notary will place an auction advertisement, inviting interested parties to deposit a private bid in writing at the offices of the civil law notary. In a number of cases at least one of these bids will cover the entire amount owing to Obvion. However, the bid must reflect a realistic market price. The official receiver will decide whether the private sale can be approved or not. If no acceptable bid is received in response to the auction advertisement, public auction proceedings will be started.

The mortgaged property will then be sold in a public auction within approximately 60 days after the notary is instructed (approximately 187-237 days after the first arrear).

Obvion will also be represented at this auction to ensure that the collateral will be sold for at least the minimum selling price. If nobody offers the minimum selling price, an entity appointed by Obvion will buy the property at this price on its behalf for subsequent sale at a more appropriate time and price.

During the arrears management process Obvion can choose to have iSHS send monthly dunning letters to the borrower, stating the amounts that are in arrears plus default interest penalties. In any case iSHS automatically sends notification to the BKR as well as to WEW after the borrower has been in arrears for 120 days.

At any time during the arrears management period, the credit management specialist can reach agreement with the borrower on a payment arrangement. The first possibility is that the borrower pays the entire amount in a lump sum, the second is that a repayment schedule is agreed with the borrower. The aim is to minimise the repayment term while taking into account the borrower’s financial means. If necessary, the credit management specialist will obtain additional information from a company specialised in 'bad debtors', such as a bailiff. The credit management specialist is responsible for the decision regarding a repayment schedule, provided that the arrangement is made for a period of not more than 12 months.

In the exceptional case of a period lasting longer than 12 months, the credit management specialist must submit the proposed arrangement together with an explanatory statement to the manager of his team, who will then make a decision. The individual payment arrangements are recorded in iSHS.

Management of deficits after foreclosure

When all the collateral has been executed, it is established whether there is still any remaining outstanding debt.

Obvion notifies the borrower of the outstanding debt, as he will remain liable for the repayment of this amount. Unless the borrower pays or makes arrangements with Obvion to pay the deficit, Obvion will ask a bailiff or a firm specialised in collecting this kind of debt to use all his efforts and all the legal means at his disposal to get as much as possible of the deficit paid back by or on behalf of the borrower.

One of the possibilities at the bailiff's disposal is attachment of income. In addition to the attachment of current income, in the Netherlands it is also possible to attach all future income of a natural person above the minimum subsistence level applicable to that person.

MORTGAGE RECEIVABLES PURCHASE AGREEMENT

Under the Mortgage Receivables Purchase Agreement the Issuer will purchase and accept from the Seller the assignment of the 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 Mortgage Receivables and the Beneficiary Rights relating thereto is transferred to the Issuer. The assignment of the Mortgage Receivables and the Beneficiary Rights relating thereto from the Seller to the Issuer will not be notified to the Borrowers and the relevant Insurance Companies, except in special events as further described hereunder ("**Assignment Notification Events**"). Until such notification the Borrowers will only be entitled to validly pay (*bevrijdend betalen*) to the Seller. The Issuer will be entitled to all proceeds in respect of the Mortgage Receivables following the Closing Date and to all amounts of principal in respect of the Portfolio Mortgage Loans, which were received by the Seller between the Portfolio Cut-Off Date and the Closing Date.

Purchase Price

The purchase price for the Mortgage Receivables will consist of (i) an initial purchase price (the "**Initial Purchase Price**"), which in respect of the Mortgage Receivables purchased on the Closing Date will be equal to € 902,716,666.52, which shall be payable on the Closing Date or, in respect of the Further Advance Receivables and Replacement Receivables, on the relevant Quarterly Payment Date and (ii) a deferred purchase price (the "**Deferred Purchase Price**"). The Initial Purchase Price for the Mortgage Receivables purchased on the Closing Date will be paid by the Issuer by applying the (i) net proceeds received from the issue of the Notes (other than the Subordinated Class E Notes) and (ii) the amounts received as consideration for the Savings Participations granted to the Savings Mortgage Participants.

The Deferred Purchase Price for the Mortgage Receivables purchased by the Issuer pursuant to the Mortgage Receivables Purchase Agreement will be equal to the sum of all Deferred Purchase Price Instalments and each such instalment (each a "**Deferred Purchase Price Instalment**") on any Quarterly Payment Date will be equal to (i) any amount remaining after all payments as set forth in the Interest Priority of Payments under (a) up to and including (r), (ii) any amount remaining after all payments as set forth in the Principal Priority of Payments under (a) up to and including (e) and (iii), after an Enforcement Notice, the amount remaining after payments as set forth in the Post-Enforcement Priority of Payments under (a) up to and including (o) have been made on such date (see section *Credit Structure* above).

The proceeds of the Notes (other than the Subordinated Class E Notes) will be applied by the Issuer to pay part of the Initial Purchase Price (see under section *Use of Proceeds* below). The sale and purchase of the Mortgage Receivables is conditional upon, *inter alia*, the issue of the Notes. Hence, the Seller can be deemed to have an interest in the issue of the Notes.

Representations and Warranties

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

(a) the Mortgage Receivables are validly existing;

(b) it has, at the time of the sale and assignment to the Buyer, full right and title (*beschikkingsbevoegdheid*) to the Mortgage Receivables, and no restrictions on the sale and transfer of the Mortgage Receivables are in effect and the Mortgage Receivables are capable of being transferred;

(c) it has, at the time of the sale and assignment to the Buyer, power to sell and assign the Mortgage Receivables;

(d) the Mortgage Receivables are, at the time of the sale and assignment to the Buyer, free and clear of any rights of pledge or other similar rights (*beperkte rechten*), encumbrances and attachments (*beslagen*) and no option rights have been granted in favour of any third party with regard to the Mortgage Receivables, other than pursuant to the Transaction Documents;

(e) each Mortgage Receivable is (i) secured by a first-ranking Mortgage Right (*eerste recht van hypotheek*) or, in the case of Portfolio Mortgage Loans (for the avoidance of doubt including any Further Advance, as the case may be) secured on the same Mortgaged Asset, first and sequentially lower ranking Mortgage Rights over real estate (*onroerende zaak*), an apartment right (*appartementsrecht*), or a long lease (*erfpacht*) situated in the Netherlands and (ii) governed by Dutch law;

(f) each NHG Mortgage Loan Part has the benefit of a NHG Guarantee and each such NHG Guarantee connected to the relevant NHG Mortgage Loan Part (i) is granted for the full amount of the relevant NHG Mortgage Loan Part, (ii) to the best of the Seller's knowledge and belief (having taken all reasonable care to ensure that such is the case), constitutes legal, valid and binding obligations of Stichting Waarborgfonds Eigen Woningen, enforceable in accordance with their terms, (iii) all NHG Conditions applicable to the NHG Guarantee at the time of origination of the NHG Mortgage Loan Part were complied with and (iv) the Seller is not aware of any reason why any claim made in accordance with the requirements pertaining thereto under the NHG Guarantee in respect of the NHG Mortgage Loan Part should not be met in full and in a timely manner;

(g) each Mortgaged Asset was valued by an independent qualified valuer or surveyor when the application for the relevant Portfolio Mortgage Loan was made and no such valuations were older than 12 months on the date of such mortgage application by the relevant Borrower, except that no valuation is required if (i) other than with respect to a NHG Mortgage Loan Part, the Portfolio Mortgage Loan (or, in the case of Portfolio Mortgage Loans secured on the same Mortgaged Asset, the aggregate of such Portfolio Mortgage Loans) does not exceed 75 per cent. of the value based upon an assessment by the Dutch tax authorities on the basis of the Act on Valuation of Real Estate (*Wet Waardering Onroerende Zaken*) (or 65 per cent. of the market value of the Mortgaged Asset in case the relevant Portfolio Mortgage Loan is originated after 1

August 2011), or (ii) the Portfolio Mortgage Loan is secured by a Mortgage on newly built properties (other than constructions under the Borrower's own management (*onder eigen beheer*)) and no re-valuation of the relevant Mortgaged Asset has taken place, except in certain cases where the principal amount of the relevant Portfolio Mortgage Loan was increased or decreased;

(h) upon creation of each Mortgage Right and each right of pledge securing the relevant Portfolio Mortgage Loan, it was granted the power under and pursuant to the mortgage deed to unilaterally terminate such Mortgage Right and right of pledge in whole or in part and such power to terminate has not been revoked, terminated or amended;

(i) upon creation of each Mortgage Right securing the relevant Portfolio Mortgage Loan, the Mortgage Conditions contained a provision to the effect that, upon assignment or pledge of the Mortgage Receivables resulting from such Portfolio Mortgage Loan, in whole or in part, the Mortgage Right will pro rata follow such Mortgage Receivables as an ancillary right;

(j) each Mortgage Receivable, and each Mortgage Right and Borrower Pledge, if any, securing such receivable, constitutes legal, valid, binding and enforceable obligations of the Borrower, subject, as to enforceability, to any applicable bankruptcy laws or similar laws affecting the rights of creditors generally;

(k) each Portfolio Mortgage Loan was originated by the Seller;

(l) all Mortgage Rights and rights of pledge granted to secure the Mortgage Receivables (i) constitute valid Mortgage Rights (*hypotheekrechten*) and rights of pledge (*pandrechten*), respectively, on the assets which are the subject of such Mortgage Rights and rights of pledge and, to the extent relating to the Mortgage Rights, have been entered into the appropriate public register, (ii) have first priority, or are first and sequentially lower ranking Mortgage Rights and (iii) were vested for a principal sum which is at least equal to the principal sum of the Portfolio Mortgage Loan when originated, increased with an amount in respect of interest, penalties and costs, up to an amount equal to 40 per cent. of such principal sum, therefore in total up to a maximum amount equal to 140 per cent. of at least the principal amount upon origination of the relevant Mortgage Receivables;

(m) the particulars of each Portfolio Mortgage Loan (or part thereof) as set out in Schedule 3 to the Mortgage Receivables Purchase Agreement and Schedule 1 to the Deed of Assignment (as defined in the Master Definitions Agreement) are complete, true and accurate in all material respects;

(n) each of the Portfolio Mortgage Loans meets the Mortgage Loan Criteria (to the extent applicable);

(o) the Seller only pays out monies under a Construction Deposit to or on behalf of a Borrower after having received relevant receipt by the relevant Borrower relating to the construction;

(p) each of the Portfolio Mortgage Loans has been granted in accordance with all applicable legal requirements and meets the Code of Conduct on Mortgage Loans (*Gedragscode Hypothecaire Financieringen*) and the Seller's underwriting policy and procedures prevailing at that time and is subject to terms and conditions customary in the Dutch mortgage market at the time of origination and not materially different from the terms and conditions applied by a prudent lender

of Dutch residential mortgage loans;

(q) each of the Savings Mortgage Receivables has the benefit of a Savings Insurance Policy and either (i) the Seller has been validly appointed as beneficiary (*begunstigde*) under such Savings Insurance Policies, upon the terms of the Savings Mortgage Loans and the Savings Insurance Policies, which appointment has been notified to the relevant Insurance Company, or (ii) the relevant Insurance Company is irrevocably authorised to apply the insurance proceeds in satisfaction of the relevant Savings Mortgage Receivable;

(r) with respect to Life Mortgage Loans, (i) there are no marketing ties between the Seller and the relevant Insurance Companies with respect to the Life Mortgage Loans, (ii) the Life Mortgage Loans and the Insurance Policies relating thereto are not sold as one single package, which means that the Borrowers of the Life Mortgage Loans do have a free choice as to the insurance company with which they will take out an Insurance Policy in relation to their Life Mortgage Loan, provided that any such insurance company elected is established in the Netherlands and (iii) there is no connection, whether from a legal or commercial view, between the Life Mortgage Loans and the relevant Life Insurance Policies other than the relevant Borrower Pledge and Beneficiary Rights;

(s) each of the Life Mortgage Receivables has the benefit of a Life Insurance Policy and either (i) the Seller has been validly appointed as beneficiary (*begunstigde*) under such Life Insurance Policy, upon the terms of the Life Mortgage Loans and the relevant Life Insurance Policy, which appointment has been notified to the relevant Insurance Company or (ii) the relevant Insurance Company is irrevocably authorised to apply the insurance proceeds in satisfaction of the relevant Life Mortgage Receivable;

(t) each of the Switch Mortgage Receivables has the benefit of a Savings Investment Insurance Policy and either (i) the Seller has been validly appointed as beneficiary (*begunstigde*) under such Savings Investment Insurance Policy, upon the terms of the Switch Mortgage Loans and the relevant Savings Investment Insurance Policy, which appointment has been notified to the relevant Insurance Company or (ii) the relevant Insurance Company is irrevocably authorised to apply the insurance proceeds in satisfaction of the relevant Switch Mortgage Receivable;

(u) it has not been notified and is not aware of anything affecting its title to the Mortgage Receivables at the time of the sale and assignment to the Buyer;

(v) it has no other claims *vis-à-vis* the Borrowers other than the claims resulting from the relevant Portfolio Mortgage Loans;

(w) it has undertaken all reasonable efforts to (i) comply, and procure that each of its intermediaries complies, with its duty of care (*zorgplicht*) *vis-à-vis* the Borrowers applicable under Dutch law to, *inter alia*, offerors of mortgage loans, including but not limited to, *inter alia*, an investigation to the risk profile of the customer and the appropriateness of the product offered in relation to such risk profile and (ii) provide, and procure that each of its intermediaries provide, each Borrower with accurate, complete and non misleading information about the relevant Portfolio Mortgage Loan and the relevant Insurance Policy linked thereto and the risks, including particularities of the product, involved;

(x) the notarial mortgage deeds (*minuut*) relating to the Portfolio Mortgage Loans are held by a civil law notary (*notaris*) in the Netherlands, while scanned copies of such deeds and of the other mortgage documents are held by the Servicer and/or its sub-contractor (if any);

(y) to the best of its knowledge, the Borrowers are not in any material breach of any provision of the Portfolio Mortgage Loans;

(z) each Portfolio Mortgage Loan constitutes the entire loan granted to the relevant Borrower that is secured by the same Mortgage Right or, as the case may be, if a Further Advance is granted, by first and sequentially lower ranking Mortgage Rights on the same Mortgaged Asset and not merely one or more loan parts (*leningdelen*);

(aa) with respect to each Mortgage Receivable resulting from a Life Mortgage Loan or, as the case may be, Savings Mortgage Loan to which an Insurance Policy is connected, a valid pledge agreement has been entered into by the Seller and the relevant Borrower and the right of pledge is valid and has been notified to the relevant Insurance Company;

(bb) with respect to each of the Mortgage Receivables resulting from an Investment Mortgage Loan, a valid pledge agreement has been entered into by the Seller and the relevant Borrower with respect to the relevant Investment Accounts and the right of pledge is valid and has been notified to the entity at which the Investment Accounts are held;

(cc) with respect to each of the Mortgage Receivables resulting from a Bank Savings Mortgage Loan, a valid pledge agreement has been entered into by the Seller and the relevant Borrower with respect to the relevant Bank Savings Accounts and the right of pledge is valid and has been notified to the Bank Savings Account Bank;

(dd) the Mortgage Conditions provide that each of the assets on which a Mortgage Right has been vested to secure the Mortgage Receivable should, at the time of origination of the Portfolio Mortgage Loan, have the benefit of buildings insurance (*opstalverzekering*) satisfactory to the Seller; and

(ee) the aggregate principal sum outstanding of all Mortgage Receivables as at the Closing Date is equal to € 902,716,666.52.

Mandatory Repurchase

If at any time after the Closing Date any of the representations and warranties relating to the Portfolio Mortgage Loans and the Mortgage Receivables proves to have been untrue or incorrect, the Seller shall within 14 days of receipt of written notice thereof from the Issuer remedy the matter giving rise thereto and if such matter is not capable of remedy or is not remedied within the said period of 14 days, the Seller shall, at the Seller's expense, repurchase and accept assignment of the relevant Mortgage Receivable for a price equal to the outstanding principal amount of such Mortgage Receivable together with interest and reasonable costs relating thereto (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.

If the Seller agrees with a Borrower to make a Further Advance prior to the occurrence of an

Assignment Notification Event, the Seller shall repurchase and accept re-assignment of the Mortgage Receivable resulting from the Portfolio Mortgage Loan in respect of which a Further Advance has been granted unless such Further Advance Receivables shall be purchased by and assigned to the Issuer, subject to the terms and conditions set forth above on the immediately following Quarterly Payment Date (see also paragraph *Further Advance* below).

The Seller shall also undertake to repurchase and accept re-assignment of a Mortgage Receivable within 14 days immediately following the date on which an amendment of the terms of the relevant Portfolio Mortgage Loan becomes effective, in the event that such amendment is not in accordance with the conditions set out in the Mortgage Receivables Purchase Agreement and/or the Servicing Agreement, which include the condition that such amendment does not adversely affect the position of the Issuer or the Security Trustee and that after such amendment the relevant Mortgage Loan continues to meet each of the Mortgage Loan Criteria (as set out below) and the representations and warranties contained in the Mortgage Receivables Purchase Agreement (as set out above). However, the Seller shall not be required to repurchase such Portfolio Mortgage Loan if the relevant amendment is made as part of the enforcement procedures to be complied with upon a default by the Borrower under the relevant Portfolio Mortgage Loan or is otherwise made as part of a restructuring or renegotiation of the relevant Portfolio Mortgage Loan due to a deterioration of the credit quality of the Borrower of such Portfolio Mortgage Loan.

Furthermore, the Seller shall within 14 days immediately following the date on which subject to the terms of a Switch Mortgage Loan, a switch by a Borrower of whole or part of the premiums deposited into the Switch Savings Account into an investment in one or more Switch Investment Funds becomes effective, repurchase and accept re-assignment of the relevant Mortgage Receivables.

Finally, the Seller shall within 14 days immediately following the date on which (i) it appears that a NHG Mortgage Loan Part no longer has the benefit of a NHG Guarantee for the full amount of such NHG Mortgage Loan Part, as adjusted in accordance with the NHG Conditions as a result of an action taken or omitted to be taken by the Seller or the Servicer or (ii) it has notified the Issuer that the Seller, while it is entitled to make a claim under the NHG Guarantee, will not make such claim, repurchase and accept re-assignment of the relevant Mortgage Receivables.

Seller Clean-up Call Option

On each Quarterly Payment Date, the Seller may, but is not obliged to, repurchase and accept re-assignment of all (but not only part of) the Mortgage Receivables if on the Notes Calculation Date immediately preceding such Quarterly Payment Date the aggregate principal amount due on the Mortgage Receivables then outstanding is less than 10 per cent. of the principal amount outstanding of the Mortgage Receivables on the Closing Date.

Mortgage Loan Criteria

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

(a) the Portfolio Mortgage Loan includes one or more of the following loan types:

(i) a Life Mortgage Loan (*levenhypotheek*);

(ii) a Savings Mortgage Loan (*spaarhypotheek*);

(iii) a Switch Mortgage Loan (*switchhypotheek*);

(iv) a Bank Savings Mortgage Loan (*bankspaarhypotheek*);

(v) an Investment Mortgage Loan (*beleggingshypotheek*);

(vi) an Annuity Mortgage Loan (*annuïteiten hypotheek*);

(vii) an Interest-only Mortgage Loan (*aflossingsvrije hypotheek*); or

(viii) a Linear Mortgage Loan (*lineaire hypotheek*);

(b) the Borrower was, at the time of origination, a resident of the Netherlands;

(c) the Portfolio Mortgage Loan is secured by a first ranking Mortgage Right or, in the case of Portfolio Mortgage Loans (including, as the case may be, any Further Advance) secured on the same Mortgaged Asset, first and sequentially lower ranking rights of mortgage over (i) real estate (*onroerende zaak*), (ii) an apartment right (*appartementsrecht*) or (iii) a long lease (*erfpacht*), in each case situated in the Netherlands;

(d) at least 1 interest payment has been made in respect of the Portfolio Mortgage Loan prior to the Closing Date or, in the case of Replacement Receivables purchased after the Closing Date, the relevant Quarterly Payment Date;

(e) the Portfolio Mortgage Loan or part thereof does not qualify as a bridge loan (*overbruggingshypotheek*);

(f) the Portfolio Mortgage Loan (i) is fully disbursed (i.e. does not qualify as a construction mortgage (*bouwhypotheek*)), or (ii) is a construction mortgage with a related Construction Deposit not exceeding € 50,000;

(g) pursuant to the applicable Mortgage Conditions, (i) the Mortgaged Asset may not be the subject of residential letting at the time of origination, (ii) the Mortgaged Asset is for residential use and has to be occupied by the relevant Borrower at and after the time of origination and (iii) no consent for residential letting of the Mortgaged Asset has been given by the Seller;

(h) the interest rate on the Portfolio Mortgage Loan (or, if the Portfolio Mortgage Loan consists of more than one loan part, on each loan part) is a floating rate or fixed rate, subject to an interest reset from time to time;

(i) interest payments on the Portfolio Mortgage Loan are collected by means of direct debit on or about the second Business Day before the end of each calendar month;

(j) except for NHG Mortgage Loan Parts, the principal sum outstanding of each Portfolio Mortgage Loan (or, in the case of Portfolio Mortgage Loans (including, as the case may be, any Further Advance) secured on the same Mortgaged Asset, the aggregate principal sum outstanding of such Portfolio Mortgage Loans and Further Advance) did not exceed 125 per cent. of the foreclosure value (*executiewaarde*) or in case of Portfolio Mortgage Loans or Further Advance granted after 1 August 2011, 104 per cent. plus transfer tax of the market value of the Mortgaged Asset upon origination of the Portfolio Mortgage Loan (or in the case of Portfolio Mortgage Loans (including, as the case may be, any Further Advance) secured on the same Mortgaged Asset, upon origination of each such Portfolio Mortgage Loan and Further Advance);

(k) the aggregate principal sum outstanding under a Portfolio Mortgage Loan, other than a NHG Mortgage Loan Part, does not exceed € 1,000,000 and the aggregate principal sum outstanding under a NHG Mortgage Loan Part does not exceed the maximum guaranteed amount as was applicable pursuant to the NHG Conditions at the time of origination thereof;

(l) on the Portfolio Cut-Off Date no amounts due under any of the Mortgage Receivables were unpaid;

(m) where compulsory under the applicable Mortgage Conditions, the Portfolio Mortgage Loan has a Insurance Policy attached to it;

(n) in respect of a Portfolio Mortgage Loan which consists of one loan part that qualifies as an Interest-only Mortgage Loan (not constituting a NHG Mortgage Loan Part) or in respect of a Portfolio Mortgage Loan which is made up of a combination of loan types, the interest-only loan part thereof (except for NHG Mortgage Loan Parts), does not exceed 100 per cent. of the foreclosure value (*executiewaarde*) (or 50% of the market value in case a Portfolio Mortgage Loan is granted after 1 August 2011) of the relevant Mortgaged Asset upon creation of the Portfolio Mortgage Loan; and

(o) the Portfolio Mortgage Loans will not have a legal maturity beyond April 2052.

The same criteria apply to the selection of Further Advance Receivables and Replacement Receivables, unless agreed otherwise with the Rating Agencies.

Assignment Notification Events

If:

(a) the Seller fails in any material respect to duly perform or comply with any of its obligations under the Mortgage Receivables Purchase Agreement or under any of the other Transaction Documents to which it is a party and such failure, if capable of being remedied, is not remedied within 10 Business Days after notice thereof; or

(b) any representation, warranty or statement made or deemed to be made by the Seller in the Mortgage Receivables Purchase Agreement, other than the representations and warranties made in relation to the Portfolio Mortgage Loans and the Mortgage Receivables or under any of the Transaction Documents to which the Seller is a party or in any notice or other document, certificate or statement delivered by it pursuant thereto proves to have been, and continues to be after the expiration of any applicable grace period, untrue or incorrect in any material respect; or

(c) the Seller has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for its dissolution (*ontbinding*) and liquidation (*vereffening*), the Seller applies for or is granted a suspension of payments (*surseance van betaling*), the Seller applies for its bankruptcy or is declared bankrupt (*failliet verklaard*) or any steps have been taken for the appointment of a receiver or a similar officer of it or of any or all of its assets; or

(d) at any time it becomes unlawful for the Seller to perform all or a material part of its obligations under the Transaction Documents in such a manner that this would have a material adverse effect on its ability to perform such obligations; or

(e) in case Rabobank has the majority control over the Seller and the financial data of the Seller are included in the consolidated annual accounts of Rabobank, the long-term unsecured, unsubordinated and unguaranteed debt obligations of Rabobank cease to be rated at least A3 by Moody's or A- by S&P; or

(f) in case Stichting Pensioenfonds ABP has the majority control over the Seller and the financial data of the Seller are included in the consolidated annual accounts of Stichting Pensioenfonds ABP, the solvency ratio (*dekkingsgraad*) of Stichting Pensioenfonds ABP falls below 84 per cent. of the level required by the relevant regulator, the Dutch Central Bank (*De Nederlandsche Bank N.V.*) (which used to be the Pensions and Insurance Chamber (*Pensioen- en*

Verzekeringskamer or *PVK*); or

(g) in case neither Rabobank nor Stichting Pensioenfonds ABP has the majority control over the Seller or the financial data of the Seller are no longer included in the consolidated annual accounts of either Rabobank or Stichting Pensioenfonds ABP, unless at such time another entity whose long-term unsecured, unsubordinated and unguaranteed debt obligations are rated at least A3 by Moody's and/or A- by S&P has majority control of the Seller and the financial data of the Seller are included in the consolidated annual accounts of such entity,

then, (x) the Seller shall notify the Issuer and the Security Trustee thereof and (y) unless (i) in the event of the occurrence of an Assignment Notification Event referred to under (a), such failure, if capable of being remedied is so remedied to the satisfaction of the Issuer and the Security Trustee within a period of 10 Business Days after notice thereof, or (ii) in the event of the occurrence of any other Assignment Notification Event, the Security Trustee instructs otherwise, provided that each Rating Agency either (i) has provided a Rating Agency Confirmation (as defined below) in respect of such instruction or (ii) by the 15th day after it was notified of such instruction has not indicated (a) which conditions are to be met before it is in a position to grant a Rating Agency Confirmation or (b) that the then current ratings assigned by it to the Notes will be adversely affected by or withdrawn as a result of such instruction, the Seller undertakes to (x) forthwith terminate (*opzeggen*) each of the Mortgage Rights and Borrower Pledges granted by the Borrowers to the effect that such Mortgage Right and Borrower Pledge no longer secures other debts, if any, than the Mortgage Receivables purchased by the Issuer pursuant to the Mortgage Receivables Purchase Agreement, (y) forthwith notify the relevant Borrower, the relevant Insurance Companies and any other related party indicated by the Issuer and/or the Security Trustee of the assignment of the Mortgage Receivables and the Beneficiary Rights relating thereto, all this substantially in accordance with the form of the relevant notification letter attached to the Mortgage Receivables Purchase Agreement and (z) make the appropriate entries in the relevant mortgage register with regard to the assignment of the Mortgage Receivables. The Issuer or the Security Trustee, on behalf of the Issuer, shall be entitled to effect such termination, notification and entry itself for which the Seller, to the extent required, will grant an irrevocable power of attorney to the Issuer and the Security Trustee in the Mortgage Receivables Purchase Agreement.

"**Rating Agency Confirmation**" means if a Rating Agency is notified of a certain event or matter, a written confirmation from a Rating Agency that the then current ratings assigned by it to the Notes will not be adversely affected by or withdrawn as a result of such an event or matter.

Purchase of Further Advance Receivables and Replacement Receivables

Further Advance Receivables

The Mortgage Receivables Purchase Agreement provides that as from the Closing Date up to and including the Quarterly Payment Date immediately preceding the First Optional Redemption Date, the Issuer shall use the Notes Principal Available Amounts to purchase and accept assignment of any

Further Advance Receivables (and relating Beneficiary Rights) resulting from Further Advances granted by the Seller to a Borrower in accordance with the underwriting criteria and procedures prevailing at that time and which may be expected from a reasonably prudent mortgage lender in the Netherlands. The Initial Purchase Price payable by the Issuer in respect of the purchase and assignment of any Further Advance Receivables shall be equal to the aggregate principal amount outstanding of such Further Advance Receivables at the date of completion of the sale and purchase thereof on the relevant succeeding Quarterly Payment Date.

The purchase by the Issuer of any Further Advance Receivables will be subject to a number of conditions, which include that at the relevant date of completion of the sale and purchase of such Further Advance Receivables:

(a) the Seller will represent and warrant to the Issuer and the Security Trustee the matters set out in the clauses providing for the representations and warranties relating to the Portfolio Mortgage Loans, the Mortgage Receivables and the Seller in the Mortgage Receivables Purchase Agreement with respect to the Further Advance Receivables sold and relating to the Seller;

(b) no Assignment Notification Event has occurred and is continuing;

(c) the Portfolio Mortgage Loan (including the Further Advance) meets the Mortgage Loan Criteria;

(d) each of the Further Advance Criteria (as described below) are met;

(e) the Notes Principal Available Amounts are sufficient to pay the Initial Purchase Price for the relevant Further Advance Receivables; and

(f) the Further Advance will not be placed on deposit as Construction Deposit.

Further Advance Criteria
Each of the following criteria (collectively the "**Further Advance Criteria**") applies in respect of an intended purchase of Further Advance Receivables:

(i) the weighted average LTFV of all the Portfolio Mortgage Loans, including the Mortgage Receivables to be purchased by the Issuer, does not exceed the weighted average LTFV of the Portfolio Mortgage Loans as at the Closing Date by more than 1.00 per cent.;

(ii) the aggregate outstanding principal amount of all Interest-only Mortgage Loans does not exceed 80 per cent. of the aggregate outstanding principal amount of all Portfolio Mortgage Loans;

(iii) the cumulative aggregate outstanding principal amount of the Mortgage Receivables to be purchased by the Issuer may in aggregate not exceed 10 per cent. of the aggregate outstanding

principal amount of the Portfolio Mortgage Loans as at the Closing Date;

(iv) the aggregate of the Realised Losses (as defined below) incurred as from the Closing Date up to the relevant purchase date for the relevant Mortgage Receivables does not exceed 0.40 per cent. of the initial aggregate outstanding principal amount of the Portfolio Mortgage Loans at the Closing Date;

(v) the product of the WALS multiplied by the WAFF for the Mortgage Receivables, according to S&P, as constituted following the proposed purchase and sale of the relevant Further Advance Receivables, does not exceed by more than 0.25 per cent. of the product of the WALS and WAFF for the Mortgage Receivables, according to S&P and as constituted at the Closing Date. For the purpose of this criterion, the "**WALS**" (the weighted average loss severity) reflects the conservative estimate of average loss on a loan after a foreclosure procedure and the "**WAFF**" (the weighted average foreclosure frequency) reflects the conservative estimate of the number of defaults in the portfolio;

(vi) the Mortgage Receivables to be purchased by the Issuer will not have a legal maturity beyond April 2052;

(vii) not more than 2.00 per cent. of the aggregate outstanding principal amount of the Mortgage Receivables are Mortgage Receivables under which amounts are due and payable which have remained unpaid for a consecutive period exceeding 90 days;

(viii) there has been no failure by the Seller to repurchase any Mortgage Receivable which it is required to repurchase pursuant to the Mortgage Receivables Purchase Agreement;

(ix) as a result of the purchase of the relevant Mortgage Receivables the aggregate outstanding principal amount of the Mortgage Receivables due from self-employed Borrowers does not exceed 7.50 per cent. of the aggregate outstanding principal amount of all Mortgage Receivables at that time; and

(x) there is no debit balance standing to the Principal Deficiency Ledger.

If either (i) any of the representations and warranties set out in the Mortgage Receivables Purchase Agreement in respect of the Portfolio Mortgage Loan and the Mortgage Receivables is not true or correct with respect to the Further Advance Receivables, or (ii) the Further Advance Receivables do not meet the above conditions and the Further Advance Criteria, or (iii) the Issuer does not have sufficient funds available for payment of the purchase price for the Further Advance Receivables, or (iv) the Further Advance is granted on or following the Quarterly Payment Date immediately preceding the First Optional Redemption Date, the Seller shall repurchase and accept the re-assignment of the

Mortgage Receivables resulting from the Portfolio Mortgage Loan in respect of which a Further Advance is granted and the Beneficiary Rights relating thereto.

When Further Advances are granted to the relevant Borrower and the Issuer purchases and accepts assignment of the relevant Further Advance Receivable and the Beneficiary Rights relating thereto, the Issuer will at the same time create a right of pledge on such Further Advance Receivable and the Beneficiary Rights relating thereto in favour of the Security Trustee.

Replacement Receivables

The Mortgage Receivables Purchase Agreement provides that as from the Closing Date up to and including the Quarterly Payment Date immediately preceding the First Optional Redemption Date, the Issuer shall apply the Notes Principal Available Amounts up to the aggregate Replacement Available Amounts to purchase and accept assignment of any Replacement Receivables, to the extent offered by the Seller, and the Beneficiary Rights relating thereto. The Initial Purchase Price payable by the Issuer in respect of the purchase and assignment of any Replacement Receivables shall be equal to the aggregate principal amount outstanding of such Replacement Receivables at the date of completion of the sale and purchase thereof on the relevant succeeding Quarterly Payment Date.

The purchase by the Issuer of any Replacement Receivables will be subject to a number of conditions, which include that at the relevant date of completion of the sale and purchase of such Replacement Receivables:

(a) the Seller will represent and warrant to the Issuer and the Security Trustee the matters set out in the clauses providing for the representations and warranties relating to the Portfolio Mortgage Loans, the Mortgage Receivables and the Seller in the Mortgage Receivables Purchase Agreement with respect to the Replacement Receivables sold and relating to the Seller;

(b) no Assignment Notification Event has occurred and is continuing;

(c) the purchase price payable in respect of the Replacement Receivables does not exceed the aggregate Replacement Available Amounts;

(d) the Portfolio Mortgage Loan to which the Replacement Receivable relates meets the Mortgage Loan Criteria, provided always that the relevant Portfolio Mortgage Loans are fully disbursed (*i.e.* do not qualify as construction mortgages (*bouwhypotheken*)); and

(e) each of the Further Advance Criteria are met.

When the Issuer purchases and accepts assignment of the relevant Replacement Receivable and relating Beneficiary Rights, the Issuer will at the same time create a first right of pledge on such Replacement Receivable and relating Beneficiary Rights in favour of the Security Trustee.

SERVICING AGREEMENT AND ISSUER ADMINISTRATION AGREEMENT

Servicing Agreement

In the Servicing Agreement the Servicer will agree to provide administration and management services to the Issuer on a day-to-day basis in relation to the Portfolio Mortgage Loans and the Mortgage Receivables, including, without limitation, the collection of payments of principal, interest and other amounts in respect of the Mortgage Receivables, all administrative actions in relation thereto and the implementation of arrears procedures including the enforcement of Mortgage Rights (see further section *Mortgage Loan Underwriting and Servicing* above). The Servicer will be obliged to manage the Portfolio Mortgage Loans and the Mortgage Receivables with the same level of skill, care and diligence as mortgage loans in its own or, as the case may be, the Seller's portfolio.

The Servicer which holds a license under the Act on the Financial Supervision (*Wet op het financieel toezicht*) to act as offeror (*aanbieder*) and servicer (*bemiddelaar*) has, in accordance with the terms of the Servicing Agreement, appointed Stater as its sub-servicer to carry out (part of) the activities described above. The Issuer and the Security Trustee have consented to the appointment of Stater as sub-servicer.

The Servicing Agreement may be terminated by the Issuer and the Security Trustee, acting jointly, upon the occurrence of certain termination events, including but not limited to, a failure by the Servicer to comply with its obligations (unless remedied within the applicable grace period), dissolution or liquidation of the Servicer or the Servicer being declared bankrupt or granted a suspension of payments or if the Servicer no longer holds a licence under the Act on the Financial Supervision (*Wet op het financieel toezicht*). In addition, the Servicing Agreement may be terminated by the Servicer upon the expiry of not less than 6 months' notice, subject to (i) written approval of the Issuer and the Security Trustee, which approval may not be unreasonably withheld and (ii) each Rating Agency either (a) having provided a Rating Agency Confirmation in respect of the termination or (b) by the 15th day after it was notified of such termination not having indicated (x) which conditions are to be met before it is in a position to grant a Rating Agency Confirmation or (y) that the then current ratings assigned by it to the Notes will be adversely affected by or withdrawn as a result of such termination. A termination of the Servicing Agreement by either the Issuer and the Security Trustee or the Servicer will only become effective if a substitute servicer is appointed.

Upon the occurrence of a termination event as set forth above, the Security Trustee and the Issuer shall use their best efforts to appoint a substitute servicer and such substitute servicer shall enter into an agreement with the Issuer and the Security Trustee substantially on the terms of the Servicing Agreement, provided that such substitute servicer shall have the benefit of a servicing fee at a level to be then determined. Any such substitute servicer must have experience of handling mortgage loans and mortgages of residential property in the Netherlands and hold a licence under the Act on the Financial Supervision (*Wet op het financieel toezicht*) to act as offeror (*aanbieder*) and servicer

(*bemiddelaar*). 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 Issuer Rights Pledge Agreement, *mutatis mutandis*, to the satisfaction of the Security Trustee.

Upon the occurrence of an Assignment Notification Event, the Servicer will use its best efforts, within 3 months of the occurrence of such event, to identify an entity that has the experience and/or capability of servicing assets similar to the Mortgage Receivables and procure that such entity would act as back-up servicer.

The Servicer does not have any liability whatsoever to the Noteholders in respect of any failure by the Issuer to pay any amounts due under the Notes. The Notes will be solely the obligations and responsibilities of the Issuer and not of any other entity or person involved in the transaction, including, without limitation, the Servicer.

Issuer Administration Agreement

The Issuer Administrator will in the Issuer Administration Agreement agree to provide certain administration, calculation and cash management services to the Issuer in accordance with the relevant Transaction Documents, including, *inter alia*, (a) the application of amounts received by the Issuer to the GIC Accounts and the production of quarterly reports in relation thereto, (b) procuring that all drawings (if any) to be made by the Issuer from the Reserve Account are made, (c) procuring that all payments to be made by the Issuer under the Swap Agreement are made, (d) procuring that all payments to be made by the Issuer under the Notes are made in accordance with the Paying Agency Agreement and the Conditions, (e) the maintaining of all required ledgers in connection with the above, (f) all administrative actions in relation thereto and (g) procuring that all calculations to be made pursuant to the Conditions under the Notes are made.

The Issuer Administration Agreement may be terminated by the Issuer and the Security Trustee, acting jointly, upon the occurrence of certain termination events, including but not limited to, a failure by the Issuer Administrator to comply with its obligations (unless remedied within the applicable grace period), dissolution or liquidation of the Issuer Administrator or the Issuer Administrator being declared bankrupt or granted a suspension of payments. In addition the Issuer Administration Agreement may be terminated by the Issuer Administrator upon the expiry of not less than 6 months' notice, subject to (i) written approval by the Issuer and the Security Trustee, which approval may not be unreasonably withheld and (ii) each Rating Agency either (a) having provided a Rating Agency Confirmation in respect of the termination or (b) by the 15th day after it was notified of such termination not having indicated (x) which conditions are to be met before it is in a position to grant a Rating Agency Confirmation or (y) that the then current ratings assigned by it to the Notes will be adversely affected by or withdrawn as a result of such termination. A termination of the Issuer Administration Agreement by either the Issuer and the Security Trustee or the Issuer Administrator will only become effective if a substitute issuer administrator is appointed.

Upon the occurrence of a termination event as set forth above, the Security Trustee and the Issuer shall use their best efforts to appoint a substitute issuer administrator and such substitute issuer administrator will enter into an agreement with the Issuer and the Security Trustee substantially on the terms of the Issuer Administration Agreement, provided that such substitute issuer administrator shall have the benefit of an administration fee at a level to be then determined. 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 Issuer Rights Pledge Agreement, *mutatis mutandis*, to the satisfaction of the Security Trustee.

The Issuer Administrator does not have any liability whatsoever to the Noteholders in respect of any failure by the Issuer to pay any amounts due under the Notes. The Notes will be solely the obligations and responsibilities of the Issuer and not of any other entity or person involved in the transaction, including, without limitation, the Issuer Administrator.

SUB-PARTICIPATION AGREEMENTS

Under each of the Insurance Savings Sub-Participation Agreements the Issuer will grant to the relevant Insurance Savings Mortgage Participant a sub-participation in the relevant Savings Mortgage Receivables or Switch Mortgage Receivables, as the case may be. Under the Bank Savings Sub-Participation Agreement the Issuer will grant to the Bank Savings Mortgage Participant a sub-participation in the Bank Savings Mortgage Receivables.

Insurance Savings Sub-Participation Agreements
In each Insurance Savings Sub-Participation Agreement the relevant Insurance Savings Mortgage Participant undertakes to pay to the Issuer:

(a) at the Closing Date or, in the case of the purchase and assignment of Replacement Receivables or Further Advance Receivables to which a Savings Insurance Policy or Savings Investment Insurance Policy is connected, at the relevant Quarterly Payment Date, an amount equal to the sum of the amounts (scheduled to be) received up to and including 31 March 2012 or, as the case may be, the last day of the calendar month immediately preceding the relevant Quarterly Payment Date, by the relevant Insurance Company from the relevant Borrowers as Savings Premiums or Savings Investment Premiums and accrued interest thereon under the respective Savings Mortgage Loans and Switch Mortgage Loans, respectively (the "**Initial Insurance Savings Participation**");

(b) on each Portfolio Payment Date an amount equal to the amounts switched under the Savings Investment Insurance Policies from investments in one or more Switch Investment Funds into investments being made in the form of a deposit into the Switch Savings Account during the Portfolio Calculation Period immediately preceding such Portfolio Payment Date (the "**Switched Savings Participation**"); and

(c) on each Portfolio Payment Date an amount equal to the amount (scheduled to be) received by the relevant Insurance Company during the Portfolio Calculation Period immediately preceding such Portfolio Payment Date, as Savings Premium in respect of the relevant Savings Insurance Policies or as Savings Investment Premium in respect of the relevant Savings Investment Insurance Policies,

provided that in respect of each Savings Mortgage Receivable and Switch Mortgage Receivable no amounts will be paid to the extent that as a result thereof the Insurance Savings Participation in such Savings Mortgage Receivable or Switch Mortgage Receivable would exceed the outstanding principal amount of such Savings Mortgage Receivable or Switch Mortgage Receivable at such time.

As a consequence of such payments each of the Insurance Savings Mortgage Participants will acquire a sub-participation (each an "**Insurance Savings Participation**") in the relevant Savings Mortgage Receivables or Switch Mortgage Receivables, which is equal to the Initial Insurance Savings Participation and the Switched Savings Participation in respect of the relevant Switch Mortgage Receivables, if any, increased during each Portfolio Calculation Period with the amount calculated on the basis of the following formula (the "**Insurance Savings Participation Increase**"):

[P/H] x R + S, whereby

P = the Insurance Savings Participation on the first day of the relevant Portfolio Calculation Period in the Savings Mortgage Receivable or Switch Mortgage Receivable, as the case may be;

S = the amount actually received by the Issuer from the relevant Insurance Savings Mortgage Participant under the relevant Insurance Savings Sub-Participation Agreement in the relevant Portfolio Calculation Period in respect of the relevant Savings Mortgage Receivable or Switch Mortgage Receivable, as the case may be;

R = in respect of the relevant Savings Mortgage Receivable or Switch Mortgage Receivable, as the case may be, the amount (i) of interest due, but not overdue, and actually received from the relevant Borrower in the relevant Portfolio Calculation Period and/or (ii) of interest due, but unpaid, by the Borrower, but received from the relevant Insurance Savings Mortgage Participant under the relevant Insurance Savings Sub-Participation Agreement;

H = the principal sum outstanding on the Savings Mortgage Receivable or Switch Mortgage Receivable, as the case may be, on the first day of the relevant Portfolio Calculation Period.

In consideration for the undertaking of each of the Insurance Savings Mortgage Participants described above, the Issuer will undertake to pay to the relevant Insurance Savings Mortgage Participant on each Portfolio Payment Date an amount up to the Insurance Savings Participation in each of the Savings Mortgage Receivables and Switch Mortgage Receivables in respect of which amounts have been received during the immediately preceding Portfolio Calculation Period (i) by means of repayment and prepayment under such Mortgage Receivables from any person, whether by set-off or otherwise, but, for the avoidance of doubt, excluding prepayment penalties, if any, and, furthermore, excluding amounts paid as partial prepayments on such Mortgage Receivables to the extent such partial prepayment does not exceed the difference between (a) the principal amount outstanding under the relevant Mortgage Receivable and (b) the Insurance Savings Participation therein, (ii) in connection with a repurchase of such 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, (iii) in connection with a sale by the Issuer of

such Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement or the Trust Deed to the extent such amounts relate to principal and (iv) as Net Proceeds on such Mortgage Receivables to the extent such amounts relate to principal (the "**Insurance Savings Participation Redemption Available Amount**").

Bank Savings Sub-Participation Agreements

In the Bank Savings Sub-Participation Agreement the Bank Savings Mortgage Participant undertakes to pay to the Issuer:

(a) at the Closing Date or, in the case of the purchase and assignment of Replacement Receivables or Further Advance Receivables to which a Bank Savings Account is connected, at the relevant Quarterly Payment Date, an amount equal to the sum of the amounts (scheduled to be) received up to and including 31 March 2012 or, as the case may be, the last day of the calendar month immediately preceding the relevant Quarterly Payment Date, by the Bank Savings Account Bank from the relevant Borrowers as Bank Savings Deposits and accrued interest thereon under the respective Bank Savings Mortgage Loans (the "**Initial Bank Savings Participation**" and together with the Initial Insurance Savings Participation, the "**Initial Savings Participation**"); and

(b) on each Portfolio Payment Date an amount equal to the amount (scheduled to be) received by the Bank Savings Account Bank during the Portfolio Calculation Period immediately preceding such Portfolio Payment Date, as Bank Savings Deposits in respect of the relevant Bank Savings Mortgage Loans,

provided that in respect of each Bank Savings Mortgage Receivable no amounts will be paid to the extent that as a result thereof the Bank Savings Participation in such Bank Savings Mortgage Receivable would exceed the outstanding principal amount of such Bank Savings Mortgage Receivable at such time.

As a consequence of such payments the Bank Savings Mortgage Participant will acquire a participation (the "**Bank Savings Participation**", and together with an Insurance Savings Participation, the "**Savings Participation**") in the relevant Bank Savings Mortgage Receivables, which is equal to the Initial Bank Savings Participation increased during each Portfolio Calculation Period with the amount calculated on the basis of the following formula (the "**Bank Savings Participation Increase**", and together with the Insurance Savings Participation Increase, the "**Participation Increase**"):

[P/H] x R + S, whereby

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

S = the amount actually received by the Issuer from the Bank Savings Mortgage Participant under the Bank Savings Sub-Participation Agreement in the relevant Portfolio Calculation Period in respect of the relevant Bank Savings Mortgage Receivable;

R = in respect of the relevant Bank Savings Mortgage, the amount (i) of interest due, but not overdue, and actually received from the relevant Borrower in the relevant Portfolio Calculation Period and/or (ii) of interest due, but unpaid, by the Borrower, but received from the Bank Savings Mortgage Participant under the Bank Savings Sub-Participation Agreement;

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

In consideration for the undertaking of the Bank Savings Mortgage Participant described above, the Issuer will undertake to pay to the Bank Savings Mortgage Participant on each Portfolio Payment Date an amount up to the Bank Savings Participation in each of the Bank Savings Mortgage Receivables in respect of which amounts have been received during the immediately preceding Portfolio Calculation Period (i) by means of repayment and prepayment under such Mortgage Receivables from any person, whether by set-off or otherwise, but, for the avoidance of doubt, excluding prepayment penalties, if any, and, furthermore, excluding amounts paid as partial prepayments on such Mortgage Receivables to the extent such partial prepayment does not exceed the difference between (a) the principal amount outstanding under the relevant Mortgage Receivable and (b) the Bank Savings Participation therein, (ii) in connection with a repurchase of such 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, (iii) in connection with a sale by the Issuer of such Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement or the Trust Deed to the extent such amounts relate to principal and (iv) as Net Proceeds on such Mortgage Receivables to the extent such amounts relate to principal (the "**Bank Savings Participation Redemption Available Amount**", and together with the Insurance Savings Redemption Available Amount, the "**Savings Participation Redemption Available Amount**").

Reduction of Participation
If:

(i) (a) a Borrower invokes a right of set-off or any other defence against any person in respect of the relevant Savings Mortgage Receivables or Switch Mortgage Receivables based upon a default in the performance, whether in whole or in part and for any reason, by the relevant Insurance Company of its payment obligations under the relevant Savings Insurance Policy or Savings Investment Insurance Policy, as the case may be, or (b) set-off takes place or the Borrower invokes a right of set-off or any other defence against any person in respect of the relevant Bank Savings Mortgage Receivables as a result of the Seller or the Bank Savings Account Bank being declared bankrupt or becoming subject to a suspension of payments or emergency regulations, as the case may be, or if, for whatever reason, the Bank Savings Account Bank does not pay the amounts standing to the credit of the relevant Bank Savings Account when due and payable, whether in full or in part, under the relevant Bank Savings Mortgage Loan; or

(ii) (a) an Insurance Savings Mortgage Participant fails to pay any amount due by it to the Issuer under or in connection with the relevant Insurance Savings Sub-Participation Agreement in respect of the relevant Savings Mortgage Receivables or Switch Mortgage Receivables, as the case may be or (b) the Bank Savings Mortgage Participant fails to pay any amount due by it to the Issuer under or in connection with the Bank Savings Sub-Participation Agreement in respect of the relevant Bank Savings Mortgage Receivables,

and, as a consequence thereof, the Issuer will not have received any amount which it would have received if such defence or failure to pay would not have been made in respect of such Savings Mortgage Receivables, Switch Mortgage Receivables or Bank Savings Mortgage Receivables, the Savings Participation of the relevant Savings Mortgage Participant in respect of such Mortgage Receivables will be reduced by an amount equal to the amount which the Issuer has failed to so receive and the calculation of the Savings 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 each of the Savings Mortgage Participants may, and if so directed by a Savings Mortgage Participant shall, by notice to the Issuer:

(i) declare that the obligations of the relevant Savings Mortgage Participant under the relevant Sub-Participation Agreement are terminated;

(ii) declare the relevant Savings Participation to be immediately due and payable, whereupon it

shall become so due and payable, but such payment obligations shall be limited to the Savings Participation Redemption Available Amount received or collected by the Issuer or, in the case of enforcement, the Security Trustee under the relevant Savings Mortgage Receivables, Switch Mortgage Receivables or Bank Savings Mortgage Receivables.

Termination

If one or more of the Savings Mortgage Receivables and/or Switch Mortgage Receivables and/or Bank Savings Mortgage Receivables are (i) repurchased by the Seller from the Issuer pursuant to the Mortgage Receivables Purchase Agreement or (ii) sold by the Issuer to a third party pursuant to the Mortgage Receivables Purchase Agreement or the Trust Deed, the Savings Participation in such Savings Mortgage Receivables and/or Switch Mortgage Receivables and/or Bank Savings Mortgage Receivables will terminate and the Savings Participation Redemption Available Amount in respect of such Savings Mortgage Receivables and/or Switch Mortgage Receivables and/or Bank Savings Mortgage Receivables will be paid by the Issuer to the relevant Savings Mortgage Participant. If so requested by the relevant Savings Mortgage Participant, the Issuer will use its best efforts to ensure that the acquiror of the Savings Mortgage Receivables, Switch Mortgage Receivables and Bank Savings Mortgage Receivables will enter into a sub-participation agreement with the relevant Savings Mortgage Participant in a form similar to the Sub-Participation Agreement entered into with such Savings Mortgage Participant. Furthermore, any Savings Participation envisaged in each of the Sub-Participation Agreements shall terminate if at the close of business on the relevant calculation date the relevant Savings Mortgage Participant has received in full the Savings Participations in respect of the relevant Savings Mortgage Receivables, Switch Mortgage Receivables or Bank Savings Mortgage Receivables.

STORM 2012-II B.V.

The Issuer was incorporated as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under the laws of the Netherlands on 26 March 2012. The official seat (*statutaire zetel*) of the Issuer is in Amsterdam, the Netherlands and its registered office is at Fred. Roeskestraat 123-I, 1076 EE Amsterdam, the Netherlands and its telephone number is +31 20 577 11 77. The Issuer is registered with the Trade Register under number 54962242.

The objectives of the Issuer are (a) to acquire, purchase, conduct the management of, dispose of and encumber receivables and to exercise any rights connected to such receivables, (b) to take up loans by way of the issue of securities or by entering into loan agreements to acquire the receivables mentioned under (a), (c) to invest and on-lend any funds held by the Issuer, (d) to hedge interest rate risks and other financial risks amongst others by entering into derivative agreements, such as swaps and options, (e) if incidental to the foregoing, (i) to take up loans by issuing securities or by entering into loan agreements to, amongst other things, perform the obligations under the securities mentioned under (b) and (ii) 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 was established for the limited purposes of the issue of the Notes, the acquisition of the Mortgage Receivables and certain related transactions described elsewhere in this Offering Circular. The Issuer operates under Dutch law, provided that it may enter into contracts which are governed by the laws of another jurisdiction than the Netherlands.

The Issuer has an authorised share capital of € 18,000 of which € 18,000 has been issued and is fully paid. All shares of the Issuer are held by Stichting Holding STORM 2012-II.

Stichting Holding STORM 2012-II is a foundation (*stichting*) incorporated under the laws of the Netherlands on 20 March 2012. Stichting Holding STORM 2012-II is registered with the Trade Register under number 54927404. The objectives of Stichting Holding STORM 2012-II are to, *inter alia*, acquire and hold shares in the share capital of the Issuer and to exercise all rights attached to such shares and to dispose of and encumber such shares. Pursuant to the articles of association of Stichting Holding STORM 2012-II an amendment of the articles of association of Stichting Holding STORM 2012-II requires the prior written consent of the Stichting Security Trustee STORM 2012-II. Moreover, the Director shall only be authorized to dissolve the Stichting Holding STORM 2012-II, (i) after receiving the prior written consent of the Stichting Security Trustee STORM 2012-II and (ii) after the Issuer has been fully discharged for all its obligations by virtue of the Transaction Documents.

The sole managing director of each of the Issuer and Stichting Holding STORM 2012-II is ATC Management B.V. ATC Management B.V. has elected domicile at the registered office of the Issuer at Fred. Roeskestraat 123-I, 1076 EE Amsterdam, telephone number +31 20 577 11 77. The managing

directors of ATC Management B.V. are R. Posthumus, R. Langelaar, R. Rosenboom, A.R. van der Veen and R. Arendsen.

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.

ATC Management B.V. belongs to the same group of companies as Amsterdamsch Trustee's Kantoor B.V., being the sole Director of the Security Trustee and the same group of companies as ATC Financial Services B.V., being the Issuer Administrator. Therefore, a conflict of interest may arise. In this respect it is of note that in the management agreements entered into by each of the Directors with the entity of which it has been appointed managing director (*statutair directeur*), each of the Directors agrees and undertakes to, *inter alia*, (i) do all that an adequate managing director *(statutair directeur*) should do or should refrain from doing and (ii) refrain from taking any action detrimental to the obligations under any of the Transaction Documents. In addition each of the Directors agrees in the relevant management agreement that it will procure that the relevant entity will not enter into any agreement in relation to STORM 2012-II B.V., and/or Stichting Holding STORM 2012-II and/or Stichting Security Trustee STORM 2012-II other than the Transaction Documents to which it is a party, without the prior written consent of the Stichting Security Trustee STORM 2012-II.

The Issuer has the corporate power and capacity to issue the Notes, to acquire the Mortgage Receivables and to enter into and perform the obligations under the Transaction Documents.

Since its incorporation there has been no material adverse change in the financial position or prospects of the Issuer and the Issuer has not (i) commenced operations, no profits and losses have been made or incurred and it has not declared or paid any dividends nor made any distributions, save for the activities related to its establishment and the securitisation transaction included in this Offering Circular nor (ii) prepared any financial statements. There are no legal, arbitration or governmental proceedings involving the Issuer in the last 12 months which may have, or have had, significant effects on the Issuer's financial position or profitability, nor, so far as the Issuer is aware, are any such proceedings pending or threatened against the Issuer.

The financial year of the Issuer coincides with the calendar year. The first financial year shall end on 31 December 2012.

Capitalisation

The following table shows the capitalisation of the Issuer as of 26 March 2012 as adjusted to give effect to the issue of the Notes. Copies of the deed of incorporation and the articles of association of the Issuer may be obtained at the specified offices of the Issuer and at the specified offices of the Paying Agent during normal business hours.

Share Capital

Authorised Share Capital	€ 18,000
Issued Share Capital	€ 18,000

Borrowings

Senior Class A1 Notes	€ 180,000,000
Senior Class A2 Notes	€ 665,000,000
Mezzanine Class B Notes	€ 16,100,000
Mezzanine Class C Notes	€ 13,400,000
Junior Class D Notes	€ 15,100,000
Subordinated Class E Notes	€ 9,000,000
Initial Savings Participation	€ 13,132,037.00

Act on the Financial Supervision

The Issuer is not subject to any licence requirement under Section 2:11 of the Act on the Financial Supervision (*Wet op het financieel toezicht*) as amended, due to the fact that the Notes will be offered solely to professional market parties (*professionele marktpartijen*) within the meaning of Section 1.1 of the Act on the Financial Supervision (*Wet op het financieel toezicht*), as amended from time to time and Section 3 of the Decree Definitions Act on the Financial Supervision (*Besluit Definitiebepalingen Wet op het financieel toezicht*) (each a "**PMP**").

The Issuer is not subject to any licence requirement under Section 2:60 of the Act on the Financial Supervision (*Wet op het financieel toezicht*), as the Issuer has outsourced the servicing and administration of the Portfolio Mortgage Loans to the Servicer. The Servicer holds a license under the Financial Services Act and the Issuer will thus benefit from the exemption.

Auditor's Confirmation

The following is the text of a report received by the board of managing directors of the Issuer from Ernst & Young Accountants LLP, the accountants of which are a member of the Royal Dutch Institute for registered accountants (*Koninklijk Nederlands Instituut voor register accountants*) and the auditors to the Issuer. The information below has been accurately reproduced. As far as the Issuer is aware and is able to ascertain from information provided by Ernst & Young Accountants LLP, no facts have been omitted which would render the reproduced information inaccurate or misleading.

To the Directors of STORM 2012-II B.V.

Auditor's Confirmation

STORM 2012-II B.V. (the "**Issuer**") was incorporated on 26 March 2012 with an issued share capital of € 18,000 and registered in the trade register of the Chambers of Commerce in the Netherlands under number 54962242. The Issuer has not yet prepared any financial statements. Since its incorporation, the Issuer has not traded, no profits and losses have been made or incurred and it has not declared or

paid any dividends nor made any distributions, save for the activities related to its establishment and the securitisation transaction included in the Offering Circular dated 5 April 2012.

Eindhoven, 5 April 2012
Ernst & Young Accountants LLP
signed by N.A.J. Silverentand

ISSUER ADMINISTRATOR

ATC Financial Services B.V. will be appointed as Issuer Administrator in accordance with and under the terms of the Issuer Administrator Agreement (see further under section *Servicing Agreement and Issuer Administration Agreement* above). ATC Financial Services B.V. is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid)* incorporated under the laws of the Netherlands on 20 June 1963. It has its official seat (*statutaire zetel*) in Amsterdam, the Netherlands and its registered office at Fred. Roeskestraat 123-I, 1076 EE Amsterdam, the Netherlands. The Issuer Administrator is registered with the Trade Register under number 33210270.

The objects of the Issuer Administrator are (a) to represent financial, economic and administrative interests in the Netherlands and other countries; (b) to act as trust company, as well as to participate in, manage and administer other enterprises, companies and legal entities and (c) to perform any and all acts which are related, incidental or which may be conducive to the above.

The managing directors of the Issuer Administrator are J.H. Scholts, F.E.M. Kuijpers, R. Posthumus and R. Rosenboom. The sole shareholder of the Issuer Administrator is ATC Group B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands and having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands, which entity is also the sole shareholder of each of the Directors.

USE OF PROCEEDS

The aggregate proceeds of the Notes to be issued on the Closing Date amount to € 898,600,000. The net proceeds of the issue of the Notes (other than the Subordinated Class E Notes) will be applied on the Closing Date to pay part of the Initial Purchase Price for the Mortgage Receivables purchased under the Mortgage Receivables Purchase Agreement on the Closing Date. Furthermore, the Issuer will receive an amount of € 13,132,037.00 as consideration for the Savings Participations granted to the Savings Mortgage Participants in the Savings Mortgage Receivables, Switch Mortgage Receivables and Bank Savings Mortgage Receivables. The Issuer will apply this amount towards payment in part of the Initial Purchase Price for the Mortgage Receivables purchased by the Issuer on the Closing Date. The proceeds of the issue of the Subordinated Class E Notes will be used to fund the Reserve Account on the Closing Date.

DESCRIPTION OF SECURITY

The Notes will be secured indirectly, through the Security Trustee, by the Trust Deed to be entered into by the Issuer and the Security Trustee, acting as security trustee for (i) the Managers as initial Noteholders, (ii) the Directors, (iii) the Issuer Administrator, (iv) the Servicer, (v) the Paying Agents, (vi) the Reference Agent, (vii) the Liquidity Facility Provider, (viii) the Swap Counterparty, (ix) the Back-Up Swap Counterparty, (x) the Savings Mortgage Participants, (xi) the Seller and (xii) the Noteholders (together the "**Security Beneficiaries**"). The Issuer will agree in the Trust Deed, to the extent necessary in advance, to pay to the Security Trustee any amounts equal to the aggregate of all its liabilities to all the Security Beneficiaries from time to time due in accordance with the terms and conditions of the relevant Transaction Documents, including, without limitation, the Notes (the "**Principal Obligations**"), which payment undertaking and the obligations and liabilities resulting therefrom is herein referred to as the "**Parallel Debt**".

The Parallel Debt of the Issuer to the Security Trustee will be secured by (i) a first ranking pledge by the Issuer to the Security Trustee over the Mortgage Receivables (including any parts thereof which are balanced by Construction Deposits) pursuant to the Mortgage Receivables Pledge Agreement, including all rights ancillary thereto in respect of the Portfolio Mortgage Loans and the rights as beneficiary under the Savings Insurance Policies, the Life Insurance Policies, the Savings Investment Insurance Policies and the Risk Insurance Policies which were assigned to it by the Seller (the "**Beneficiary Rights**") and (ii) a first ranking pledge by the Issuer to the Security Trustee over the Issuer's rights under or in connection with the Mortgage Receivables Purchase Agreement, the Swap Agreement, the Conditional Deed of Novation, the Servicing Agreement, the Floating Rate GIC, the Liquidity Facility Agreement, the Beneficiary Waiver Agreement, the Sub-Participation Agreements, the Commingling Guarantee, the Construction Deposits Guarantee and in respect of the GIC Accounts.

The Issuer and the Security Trustee will enter into a pledge agreement (the "**Mortgage Receivables Pledge Agreement**") pursuant to which a first ranking undisclosed right of pledge (*stil pandrecht eerste in rang*) will be granted by the Issuer to the Security Trustee over the Mortgage Receivables and the Beneficiary Rights in order to create security for all liabilities of the Issuer to the Security Trustee in connection with the Trust Deed, including the Parallel Debt and any of the other Transaction Documents. Pursuant to the Mortgage Receivables Pledge Agreement, the Issuer further undertakes, in respect of any Further Advance Receivables or Replacement Receivables, to grant to the Security Trustee a first ranking undisclosed right of pledge on the relevant Further Advance Receivables (unless the Mortgage Receivables resulting from a Portfolio Mortgage Loan in respect of which a Further Advance is granted are being repurchased and re-assigned by the Seller) or Replacement Receivables and any associated Beneficiary Rights on the relevant purchase date. In this respect, the Issuer and the Security Trustee acknowledge that (i) the Parallel Debt constitutes undertakings, obligations and liabilities of the Issuer to the Security Trustee which are separate and independent from and without prejudice to the Principal Obligations of the Issuer to any Security Beneficiary and (ii)

the Parallel Debt represents the Security Trustee's own claim (*vordering*) to receive payment of the Parallel Debt from the Issuer, provided that the aggregate amount that may become due under the Parallel Debt will never exceed the aggregate amount that may become due under all of the Principal Obligations to the Security Beneficiaries.

The pledge over the Mortgage Receivables provided in the Mortgage Receivables Pledge Agreement will not be notified to the Borrowers except in the case of certain Pledge Notification Events. These Pledge Notification Events will, to a large extent, be similar to the Assignment Notification Events defined in the Mortgage Receivables Purchase Agreement. Prior to notification of the pledge to the Borrowers, the pledge will be an undisclosed right of pledge (*stil pandrecht*) within the meaning of section 3:239 of the Dutch Civil Code. The pledge of the Beneficiary Rights will also be an undisclosed right of pledge until notification thereof to the relevant Insurance Companies.

In addition, the Issuer will vest a right of pledge on any and all existing and future rights and claims that are owed and will be owed to the Issuer (the "**Issuer Rights**") under (i) the Mortgage Receivables Purchase Agreement, (ii) the Servicing Agreement, (iii) the Swap Agreement, (iv) the Conditional Deed of Novation, (v) the Liquidity Facility Agreement, (vi) the Sub-Participation Agreements, (vii) the Beneficiary Waiver Agreement, (viii) the Commingling Guarantee and (ix) the Construction Deposits Guarantee (the "**Issuer Rights Pledge Agreement**") in favour of the Security Trustee. This right of pledge secures any and all liabilities of the Issuer to the Security Trustee resulting from or in connection with the Parallel Debt. Furthermore, on the Closing Date, the Issuer will vest, in favour of the Security Trustee, a right of pledge in respect of any and all current and future monetary claims of the Issuer against the Floating Rate GIC Provider, in respect of the Floating Rate GIC and the GIC Accounts (the "**GIC Accounts Pledge Agreement**"). The pledge pursuant to each of the Issuer Rights Pledge Agreement and the GIC Accounts Pledge Agreement will be notified to the relevant obligors and will therefore be a disclosed right of pledge *(openbaar pandrecht*).

Upon enforcement of the pledges created pursuant to the Security Documents (which is after delivery of an Enforcement Notice), the Security Trustee shall apply the net proceeds received or recovered towards satisfaction of the Parallel Debt. The Security Trustee shall distribute such net proceeds (after deduction of the amounts due and payable to each of the Savings Mortgage Participants under the Sub-Participation Agreements which amounts will be paid in priority to all other amounts due and payable by the Issuer at that time under any of the other Transaction Documents) to the Security Beneficiaries (other than the Savings Mortgage Participants). All amounts to be so distributed by the Security Trustee will be paid in accordance with the Post-Enforcement Priority of Payments (as set forth in *Credit Structure* above).

The security provided pursuant to the provisions of the Trust Deed and the Pledge Agreements shall indirectly, through the Security Trustee, serve as security for the benefit of the Security Beneficiaries, including, without limitation, each 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**"), but amounts owing to the Mezzanine Class B Noteholders will rank junior to Senior Class A Noteholders and amounts owing to the Mezzanine Class C Noteholders will rank junior to the Senior Class A Noteholders and the Mezzanine Class B Noteholders and amounts owing to the Junior Class D Noteholders will rank junior 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 junior to the Senior Class A Noteholders, the Mezzanine Class B Noteholders, the Mezzanine Class C Noteholders and Junior Class D Noteholders (see section *Credit Structure* above).

THE SECURITY TRUSTEE

Stichting Security Trustee STORM 2012-II is a foundation (*stichting)* incorporated under the laws of the Netherlands on 20 March 2012. It has its official seat (*statutaire zetel*) in Amsterdam, the Netherlands and its registered office at Fred. Roeskestraat 123-I, 1076 EE Amsterdam, the Netherlands. The Security Trustee is registered with the Trade Register under number 54927404.

The objects of the Security Trustee are (a) to act as agent and/or trustee of the Noteholders and certain other creditors of the Issuer; (b) to acquire security rights as agent and/or trustee and/or for itself; (c) to hold, administer and enforce the security rights mentioned under (b) for the benefit of the Noteholders and certain other creditors of the Issuer and to perform acts and legal acts (including the acceptance of a parallel debt obligation from, *inter alia*, the Issuer) which are or may be related, incidental or conducive to the holding of the above security rights and (d) to perform any and all acts which are related, incidental or which may be conducive to the above.

The sole managing director of the Security Trustee is Amsterdamsch Trustee's Kantoor B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands and having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands. The managing directors of Amsterdamsch Trustee's Kantoor B.V. are D.P. Stolp and F.E.M. Kuijpers. The sole shareholder of Amsterdamsch Trustee's Kantoor B.V. is ATC Group B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands and having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands, which entity is also the sole shareholder of each of the Issuer Administrator and ATC Management B.V. being the director of the each of the Issuer and Stichting Holding STORM 2012-II.

TERMS AND CONDITIONS OF THE NOTES

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

The issue of the € 180,000,000 Senior Class A1 Mortgage-Backed Notes 2012 due 2054 (the "**Senior Class A1 Notes**"), the € 665,000,000 Senior Class A2 Mortgage-Backed Notes 2012 due 2054 (the "**Senior Class A2 Notes**" and together with the Senior Class A1 Notes, the "**Senior Class A Notes**"), the € 16,100,000 Mezzanine Class B Mortgage-Backed Notes 2012 due 2054 (the "**Mezzanine Class B Notes**"), the € 13,400,000 Mezzanine Class C Mortgage-Backed Notes 2012 due 2054 (the "**Mezzanine Class C Notes**"), the € 15,100,000 Junior Class D Mortgage-Backed Notes 2012 due 2054 (the "**Junior Class D Notes**") and the € 9,000,000 Subordinated Class E Notes 2012 due 2054 (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**") was authorised by a resolution of the managing director of STORM 2012-II B.V. (the "**Issuer**") passed on 4 April 2012. The Notes have been issued under a trust deed (the "**Trust Deed**") dated 5 April 2012 (the "**Signing Date**") between the Issuer, Stichting Holding STORM 2012-II and Stichting Security Trustee STORM 2012-II (the "**Security Trustee**").

Under a paying agency agreement (the "**Paying Agency Agreement**") dated the Signing Date by and between the Issuer, the Security Trustee, Deutsche Bank AG, London Branch as principal paying agent (the "**Principal Paying Agent**"), Deutsche Bank AG, Amsterdam Branch as paying agent (the "**Paying Agent**" and, together with the Principal Paying Agent, the "**Paying Agents**") and Deutsche Bank AG, London Branch as reference agent (the "**Reference Agent**" and, together with the Principal Paying Agent and the Paying Agent, the "**Agents**") provision is made for, among other things, the payment of principal and interest in respect of the Notes.

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 Paying Agency Agreement, (ii) 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, (iii) a mortgage receivables purchase agreement (the "**Mortgage Receivables Purchase Agreement**") dated the Signing Date between Obvion N.V., as seller (the "**Seller**"), the Issuer and the Security Trustee, (iv) a servicing agreement (the "**Servicing Agreement**") dated the Signing Date between the Issuer, Obvion N.V., as servicer (the "**Servicer**") and the Security Trustee, (v) an administration agreement (the "**Issuer Administration Agreement**") dated the Signing Date between the Issuer, ATC Financial Services B.V., as administrator (the "**Issuer Administrator**") and the Security Trustee,

(vi) a mortgage receivables pledge agreement (the "**Mortgage Receivables Pledge Agreement**") dated the Signing Date between the Issuer and the Security Trustee, (vii) an issuer rights pledge agreement (the "**Issuer Rights Pledge Agreement**") dated the Signing Date between, *inter alia*, the Issuer and the Security Trustee and (viii) a guaranteed investment contract accounts pledge agreement (the "**GIC Accounts Pledge Agreement**") dated the Signing Date between, *inter alia*, the Issuer and the Security Trustee (jointly with the two pledge agreements referred to under (vi) and (vii) above, the "**Pledge Agreements**" and the Pledge Agreements together with the Trust Deed, the "**Security Documents**") and together with certain other agreements, including all aforementioned agreements and the Notes, the "**Transaction Documents**"). A reference to a Transaction Document shall be construed as a reference to such Transaction Document as the same may have been, or may from time to time be, replaced, amended or supplemented and a reference to any party to a Transaction Document shall include references to its successors, assigns and any person deriving title under or through it.

Certain words and expressions used below are defined in a master definitions agreement (the "**Master Definitions Agreement**") dated the Signing Date and signed by the Issuer, the Security Trustee, the Seller and certain other parties. Such words and expressions shall, except where the context requires otherwise, have the same meanings in these Conditions. As used herein, "**Class**" means the Senior Class A1 Notes, the Senior Class A2 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 Mortgage Receivables Purchase Agreement, the Trust Deed, the Security Beneficiaries Agreement, the Paying Agency Agreement, the Servicing Agreement, the Pledge Agreements, the Master Definitions Agreement and certain other agreements are available for inspection free of charge by holders of the Notes at the specified office of the Paying Agent and the current office of the Security Trustee, being at the date hereof Fred. Roeskestraat 123-I, 1076 EE 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 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 € 100,000 each. Under Dutch law, the valid transfer of Notes requires, *inter alia*, delivery *(levering)* thereof. The Issuer, the Security Trustee and the Paying Agents 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), 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) Status

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.

In accordance with the provisions of Conditions 4, 6 and 9 and the Trust Deed (i) prior to the delivery of an Enforcement Notice, payments of principal on the Senior Class A2 Notes are subordinated to, *inter alia*, payments of principal on the Senior Class A1 Notes, (ii) 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, (iii) 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, (iv) 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 (v) 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.

(b) Security

The Security Beneficiaries, including, *inter alia*, the Noteholders, benefit from the security for the obligations of the Issuer towards the Security Trustee (the "**Security**"), which will be created pursuant to, and on the terms set out in, the Trust Deed and the Pledge Agreements, which will create, *inter alia*, the following security rights:

(i) a first ranking pledge by the Issuer to the Security Trustee over the Mortgage Receivables and the rights as beneficiary under the Insurance Policies (the "**Beneficiary Rights**") and all ancillary rights;

(ii) a first ranking pledge by the Issuer to the Security Trustee over the Issuer's rights (a) against the Seller under or in connection with the Mortgage Receivables Purchase Agreement, (b) against the Floating Rate GIC Provider under or in connection with the Floating Rate GIC, (c) against the Servicer under or in connection with the Servicing Agreement, (d) against the Swap Counterparty and the Back-Up Swap Counterparty under or in connection with the Swap Agreement and the Conditional Deed of Novation, (e) against the Liquidity Facility Provider under or in connection with the Liquidity Facility Agreement, (f) against the Savings Mortgage Participants under the Sub-Participation Agreements, (g) against the Seller under or in connection with the Beneficiary Waiver Agreement and (h) against the Commingling Guarantor under or in connection with the Commingling Guarantee and against the Construction Deposit Guarantor under the Construction Deposit Guarantee;

(iii) a first ranking pledge by the Issuer to the Security Trustee over the Issuer's claims in respect of the GIC Accounts.

The Trust Deed contains provisions requiring the Security Trustee to have regard to the interests of each 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 Noteholder**s") and the holders of the Subordinated Class E Notes (the "**Subordinated Class E Noteholders**") each as a Class as regards all powers, trust, authorities, duties and discretions of the Security Trustee (except where expressly provided otherwise) and the Security Trustee need not to have regard to the consequences of such exercise for individual Noteholders but is required in any such case to have regard only to the interests of the Senior Class A Noteholders if, in the Security Trustee's opinion, there is a conflict between the interests of the Senior Class A Noteholders on the one hand and the Mezzanine Class B Noteholders, the Mezzanine Class C Noteholders, the Junior Class D Noteholders or the Subordinated Class E Noteholders on the other hand and, if no Senior Class A Notes are outstanding, to have regard only to the interests of the Mezzanine Class B Noteholders if, in the Security Trustee's opinion, there is a conflict between the interests of the Mezzanine Class B Noteholders on the one hand and the Mezzanine Class C Noteholders, the Junior Class D Noteholders or the Subordinated Class E Noteholders on the other hand and, if no Mezzanine Class B Notes are outstanding, to have regard only to the interests of the Mezzanine Class C Noteholders if, in the Security Trustee's opinion, there is a conflict between the interests of the Mezzanine Class C Noteholders on the one hand and the Junior Class D Noteholders or the Subordinated Class E Noteholders on the other hand and, if no Mezzanine Class C Notes are outstanding, to have regard only to the interests of the Junior Class D Noteholders if, in the Security Trustee's opinion, there is a conflict between the interests of the Junior Class D Noteholders on the one hand and the Subordinated Class E Noteholders on the other hand. In addition, the Security Trustee shall have regard to the interests of the other Security Beneficiaries, provided that, in the case of a conflict of interest between the Security Beneficiaries, the priority of payments upon enforcement set forth in the Trust Deed determines which interest of which Security Beneficiary prevails, it being noted that, only for the purpose of determining which party's interest prevails in the case where the Security Trustee shall only have regard to the interest of the Security Beneficiaries mentioned under item d of the Post-Enforcement Priority of Payments, the interest of the Security Beneficiary mentioned under item d (ii) of the Post-Enforcement Priority of Payments shall prevail over the interest of the Security Beneficiary mentioned under item d (i) of the Post-Enforcement Priority of Payments.

3. Covenants of the Issuer

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

(a) carry out any business other than as described in the Offering Circular issued in relation to the Notes dated 5 April 2012 and as contemplated in the Transaction Documents;

(b) incur or permit to subsist any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness, except as contemplated in the Transaction Documents;

(b) create, promise to create or permit to subsist any mortgage, charge, pledge, lien or other security interest whatsoever over any of its assets, or use, invest, sell, transfer or otherwise dispose of any part of its assets, except as contemplated in the Transaction Documents;

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

(d) permit the validity or effectiveness of the Trust Deed or the Pledge Agreements, and 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 except as contemplated in the Transaction Documents;

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

(f) have an interest in any bank account other than the GIC Accounts and the Liquidity Facility Account and an account into which collateral under the Swap Agreement is transferred, unless all rights in relation to such account (other than the account into which collateral under the Swap Agreement is transferred) will have been pledged to the Security Trustee as provided in Condition 2(b)(iii);

(g) amend, supplement or otherwise modify its articles of association or other constitutive documents;

(h) pay any dividend or make any other distribution to its shareholder(s) other than out of Profit as carved out of the Notes Interest Available Amounts or issue any further shares; or

(i) engage in any activity whatsoever which is not incidental to or necessary in connection with any of the activities which the Transaction Documents provide or envisage that the Issuer will engage in.

4. Interest

(a) Period of Accrual

The Notes shall bear interest on their Principal Amount Outstanding (as defined in Condition 6) from and including the date the Notes are issued (the "**Closing Date**"). Each Note (or, in the case of the redemption of only part of a Note, that part only of such Note) shall cease to bear interest from its due date for redemption unless, upon due presentation, payment of the relevant amount of principal or any part thereof is improperly withheld or refused. In such event, interest will continue to accrue thereon (before and after any judgement) at the rate applicable to such Note up to but excluding the date on which, on presentation of such Note, payment in full of the relevant amount of principal is made or (if earlier) the 7th 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 number of days elapsed in the Quarterly Interest Period divided by 360 days.

(b) Interest Periods and Payment Dates

Interest on the Notes shall be payable by reference to successive interest periods (each a "**Quarterly Interest Period**") and will be payable in arrear in euro in respect of the Principal Amount Outstanding (as defined in Condition 6) of the Notes, respectively, on the 22nd day of January, April, July and October in each year, or if such day is not a Business Day (as defined below), the next succeeding Business Day, unless such Business Day falls in the

next succeeding calendar month in which event the Business Day immediately preceding such 22nd day is the relevant Business Day (each such day being a "**Quarterly Payment Date**"), subject to Condition 9(a). A "**Business Day**" means a day on which banks are open for business in Amsterdam, the Netherlands and London, United Kingdom, provided that such day is also a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer 2 System (the "**TARGET 2 System**") or any successor thereto is operating credit or transfer instructions in respect of payments in euro. Each successive Quarterly Interest Period will commence on (and include) a Quarterly Payment Date and end on (but exclude) the next succeeding Quarterly Payment Date, except for the first Quarterly Interest Period which will commence on (and include) the Closing Date and end on (but exclude) the Quarterly Payment Date falling in July 2012.

(c) Interest on the Notes

Except for the first Quarterly Interest Period whereby interest will accrue from (and including) the Closing Date until but excluding the first Quarterly Payment Date at an annual rate equal to the linear interpolation between the Euro Interbank Offered Rate ("**Euribor**") for 3-months deposits in euro and the Euribor for 4-months deposits in euro (determined in accordance with Condition 4) plus the margin as set out below, interest on the Notes for each Quarterly Interest Period up to (but excluding) the First Optional Redemption Date will accrue at an annual rate equal to Euribor for 3-month deposits in euro, plus:

(i) for the Senior Class A1 Notes, a margin of 1.05 per cent. per annum;
(ii) for the Senior Class A2 Notes, a margin of 1.50 per cent. per annum;
(iii) for the Mezzanine Class B Notes, a margin of 2.00 per cent. per annum;
(iv) for the Mezzanine Class C Notes, a margin of 3.00 per cent. per annum;
(v) for the Junior Class D Notes, a margin of 4.00 per cent. per annum; and
(vi) for the Subordinated Class E Notes a margin of 6.00 per cent. per annum.

(d) Interest following the First Optional Redemption Date

If on the First Optional Redemption Date (as defined in Condition 6) the Notes of any Class have not been redeemed in full, the margin on each Class of Notes (other than the Subordinated Class E Notes) will increase. The rate of interest applicable to the Notes will then be equal to the sum of Euribor for 3-month deposits in euro, payable by reference to Quarterly Interest Periods on each Quarterly Payment Date, plus:

(i) for the Senior Class A1 Notes, a margin of 2.10 per cent. per annum;
(ii) for the Senior Class A2 Notes, a margin of 3.00 per cent. per annum;
(iii) for the Mezzanine Class B Notes, a margin of 3.00 per cent. per annum;
(iv) for the Mezzanine Class C Notes, a margin of 4.00 per cent. per annum;
(v) for the Junior Class D Notes, a margin of 5.00 per cent. per annum; and
(vi) for the Subordinated Class E Notes, a margin of 6.00 per cent. per annum.

(e) Euribor

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

(i) The Reference Agent will obtain for each Quarterly Interest Period the rate equal to Euribor for 3-month deposits in euro. 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) at or about 11:00 a.m. (Central European Time) on the day that is 2 Business Days preceding the first day of each Quarterly Interest Period (each an "**Interest Determination Date**").

(ii) If, on the relevant Interest Determination Date, such Euribor rate is not determined and published jointly by the European Banking Federation 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 4 major banks in the euro-zone interbank market to provide a quotation for the rate at which 3-month euro deposits are offered by it in the euro-zone interbank market at approximately 11.00 a.m. (Central European Time) on the relevant Interest Determination Date to prime banks in the euro-zone interbank market in an amount that is representative for a single transaction at that time; and

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

(iii) if fewer than 2 such quotations are provided as requested, the Reference Agent will determine the arithmetic mean (rounded, if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the rates quoted by major banks, of which there shall be at least two in number, in the euro-zone, selected by the Reference Agent, at approximately 11.00 a.m. (Central European Time) on the relevant Interest Determination Date for 3-month deposits to leading euro-zone banks in an amount that is representative for a single transaction in that market at that time,

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

Quarterly Interest Period will be Euribor last determined in relation thereto.

(f) Determination of Floating Rate of Interest and Calculation of the Floating Interest Amount

The Reference Agent will, as soon as practicable after 11.00 a.m. (Central European Time) on each relevant Interest Determination Date, determine the floating rates of interest referred to in paragraphs (b) and (c) above for each relevant Class of Notes (the "**Floating Rate of Interest**") and calculate the amount of interest payable, subject to Condition 9(a), on each such Class of Notes for the following Quarterly Interest Period (the "**Floating Interest Amount**") by applying the relevant Floating Rate of Interest to the Principal Amount Outstanding of the relevant Class of Notes. The determination of the relevant Floating Rate of Interest and the Floating Interest Amount by the Reference Agent shall (in the absence of manifest error) be final and binding on all parties.

(g) Notification of the Floating Rate of Interest and the Floating Interest Amount

The Reference Agent will cause the relevant Floating Rate of Interest and the relevant Floating Interest Amount and the Quarterly Payment Date applicable to each relevant Class of Notes to be notified to the Issuer, the Security Trustee, the Paying Agents, the Issuer Administrator and to the holders of such Class of Notes. As long as the Notes are admitted to listing, trading and/or quotation on NYSE Euronext in Amsterdam ("**Euronext Amsterdam**") or by any other competent authority, stock exchange and/or quotation system, notice shall also be published in such other place as may be required by the rules and regulations of such competent authority, stock exchange and/or quotation system, as soon as possible after the determination. The Floating Interest Amount and Quarterly Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Quarterly Interest Period.

(h) Determination or Calculation by Security Trustee

If the Reference Agent at any time for any reason does not determine the relevant Floating Rate of Interest or fails to calculate the relevant Floating Interest Amount in accordance with paragraph (e) 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 paragraph (e) above), it shall deem fair and reasonable under the circumstances or, as the case may be, the Security Trustee shall calculate the Floating Interest Amount in accordance with paragraph (e) above, and each such determination or calculation shall be final and binding on all parties.

(i) Reference Agent

The Issuer will procure that, as long as any of the Notes remains outstanding, there will at all times be a Reference Agent. The Issuer has, subject to obtaining the prior written consent of the Security Trustee, the right to terminate the appointment of the Reference

Agent by giving at least 60 days' notice in writing to that effect. Notice of any such termination will be given to the holders of the relevant Class of Notes in accordance with Condition 13. If any person shall be unable or unwilling to continue to act as the Reference Agent or if the appointment of the Reference Agent shall be terminated, the Issuer will, with the prior written consent of the Security Trustee, appoint a successor reference agent to act in its place, provided that neither the resignation nor removal of the Reference Agent shall take effect until a successor approved in writing by the Security Trustee has been appointed.

5. Payment

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

(b) On the Final Maturity Date (as defined in Condition 6), or such earlier date on which the Notes become due and payable, the Definitive 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 5 years following the due date for payment of such principal (whether or not such Coupons would have become unenforceable pursuant to Condition 8).

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

(d) The Issuer reserves the right at any time to vary or terminate the appointment of the Paying Agents 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 the European Union which, for as long as the Notes are listed on Euronext Amsterdam, shall be located in the Netherlands, and provided further that the Issuer will maintain a paying agent in an EU Member State that will not be obliged to withhold or deduct any tax pursuant to the EU Council Directive 2003/48/EC. Notice of any termination or appointment of a Principal Paying Agent or Paying Agent and of any changes in the specified offices of the Paying Agents will be given to the Noteholders in accordance with Condition 13.

6. Redemption

(a) Definitions

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

The "**Principal Amount Outstanding**" on any Notes Calculation Date of any Note shall be the principal amount of that Note upon issue less the aggregate amount of all Principal Redemption Amounts (as defined in Conditions 6(c) and 6(g) below) in respect of that Note that have become due and payable prior to such Notes Calculation Date.

"**Notes Principal Available Amounts**" shall mean, on any Notes Calculation Date, the sum of the following amounts received or held by the Issuer during the Notes Calculation Period immediately preceding such Notes Calculation Date:

(i) repayment and full prepayment of principal under the Mortgage Receivables, from any person, whether by set-off or otherwise, but, for the avoidance of doubt, excluding prepayment penalties, if any, *less*, with respect to each Savings Mortgage Receivable, each Switch Mortgage Receivable and each Bank Savings Mortgage Receivable, the Savings Participation in such Savings Mortgage Receivable, Switch Mortgage Receivable or Bank Savings Mortgage Receivable;

(ii) Net Proceeds (as defined in the Conditions) in respect of any Mortgage Receivables, to the extent such proceeds relate to principal, *less*, with respect to each Savings Mortgage Receivable, each Switch Mortgage Receivable and each Bank Savings Mortgage Receivable, the Savings Participation in such Savings Mortgage Receivable, Switch Mortgage Receivable or Bank Savings Mortgage Receivable;

(iii) amounts received in connection with a repurchase or sale of Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement or the Trust Deed, as the case may be, or 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, each Switch Mortgage Receivable and each Bank Savings Mortgage Receivable, the Savings Participation in such Savings

Mortgage Receivable, Switch Mortgage Receivable or Bank Savings Mortgage Receivable;

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

(v) any Participation Increase, Switched Savings Participation and Initial Savings Participation received pursuant to the Sub-Participation Agreements (other than the Initial Savings Participations received on the Closing Date);

(vi) partial prepayment in respect of Mortgage Receivables, excluding prepayment penalties, if any, *less* with respect to each Savings Mortgage Receivable, each Switch Mortgage Receivable and each Bank Savings Mortgage Receivable in case the partial prepayment made in respect thereof exceeds the difference between (a) the principal amount outstanding under such Savings Mortgage Receivable, Switch Mortgage Receivable or Bank Savings Mortgage Receivable and (b) the Savings Participation therein, an amount equal to such excess up to the Savings Participation therein;

(vii) amounts received under or in connection with the Construction Deposits Guarantee after a request for payment made by the Issuer (other than the Construction Deposits Cash Collateral); and

(viii) the part of the net proceeds of the issue of the Notes (other than the Subordinated Class E Notes), if any, which will remain after application thereof towards payment on the Closing Date of part of the Initial Purchase Price for the Mortgage Receivables purchased by the Issuer on the Closing Date and any part of the Notes Principal Available Amounts calculated on the immediately preceding Notes Calculation Date which has not been applied towards satisfaction of the items set forth in the Principal Priority of Payments on the immediately preceding Quarterly Payment Date.

"**Net Proceeds**", means, in relation to a Mortgage Receivable, (i) the proceeds of a foreclosure on the relevant Mortgage Right, (ii) the proceeds of foreclosure on any other collateral securing the Mortgage Receivable, (iii) the proceeds, if any, of collection of any Insurance Policies or other insurance policies in connection with the Mortgage Receivable, including but not limited to fire insurance, (iv) the proceeds of any guarantees or sureties, including any NHG Guarantee and (v) the proceeds of foreclosure on any other assets of the relevant debtor, after deduction of foreclosure costs in respect of such Mortgage Receivable. The term "foreclosure" shall include any lawful manner of generating proceeds from collateral, whether by public auction, by private sale or otherwise.

"**Notes Calculation Date**" means, in relation to a Quarterly Payment Date, the third Business Day prior to such Quarterly Payment Date.

"**Notes Calculation Period**" means, in relation to a Notes Calculation Date, the 3 successive Portfolio Calculation Periods immediately preceding such Notes Calculation Date;

"**Portfolio Calculation Period**" means the period commencing on (and including) the first day of each calendar month and ending on (but excluding) the first day of the next succeeding calendar month.

"**Realised Losses**" means, on any Notes Calculation Date, the sum of (a) the aggregate outstanding principal amount of all Mortgage Receivables, excluding the Savings Participations therein, on which the Seller, the Servicer, the Issuer or the Security Trustee has foreclosed and has received the proceeds in the Notes Calculation Period immediately preceding such Notes Calculation Date *minus* the Net Proceeds applied to reduce the outstanding principal amount of such Mortgage Receivables, (b) with respect to Mortgage Receivables sold by the Issuer pursuant to the Mortgage Receivables Purchase Agreement or the Trust Deed in the Notes Calculation Period immediately preceding such Notes Calculation Date, the amount of the aggregate outstanding principal amount of all such Mortgage Receivables minus the purchase price received, or to be received on the relevant Quarterly Payment Date, in respect of such Mortgage Receivables to the extent relating to principal and (c) with respect to Mortgage Receivables which have been extinguished (*teniet gegaan*), in part or in full, in the Notes Calculation Period immediately preceding such Notes Calculation Date as a result of a set-off right having been invoked by the relevant Borrower or the Seller, as the case may be, the positive difference, if any, between the amount by which the Mortgage Receivables have been extinguished (*teniet gegaan*) and the amount paid by the Seller pursuant to the Mortgage Receivables Purchase Agreement in connection with such set-off.

(b) Final Redemption

Unless previously redeemed as provided below, the Issuer will, subject to Condition 9(b), redeem any remaining Notes at their Principal Amount Outstanding, together with accrued interest, on the Quarterly Payment Date falling in April 2054 (the "**Final Maturity Date**").

(c) Redemption prior to delivery of an Enforcement Notice

Provided that no Enforcement Notice has been served in accordance with Condition 10, the Issuer shall on each Quarterly Payment Date apply the Notes Principal Available Amounts (as defined above), subject to and in accordance with the Principal Priority of Payments towards redemption, at their respective Principal Amount Outstanding, of (i) *firstly*, towards the Senior Class A1 Notes, until fully redeemed and subsequently towards the Senior Class A2 Notes until fully redeemed (ii) *secondly*, towards the Mezzanine Class B Notes, until fully redeemed, (iii) *thirdly*, the Mezzanine Class C Notes, until fully redeemed and (iv) *fourthly*, towards the Junior Class D Notes, until fully redeemed, provided that up to and including the Quarterly Payment Date immediately preceding the First Optional Redemption Date, such amount will, subject to certain conditions being met, first be applied towards payment of the purchase price for the Further Advance Receivables and/or Replacement Receivables to the extent offered by the Seller.

The principal amount so redeemable in respect of each Note (each a "**Principal Redemption Amount**") on the relevant Quarterly Payment Date shall be the Notes Principal Available Amounts on the Notes Calculation Date relating to that Quarterly Payment Date (less the amounts applied towards payment of the purchase price for any Further Advance Receivables and/or Replacement Receivables) 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. Following application of the Principal Redemption Amount to redeem a Note, the Principal Amount Outstanding of such Note shall be reduced accordingly.

(d) Determination of Principal Redemption Amount and Principal Amount Outstanding:

(i) On each Notes Calculation Date, the Issuer shall determine (or cause the Issuer Administrator to determine) (a) the Principal Redemption Amount and (b) the Principal Amount Outstanding of the relevant Note on the first day following the relevant Quarterly Payment Date. Each determination by or on behalf of the Issuer of any Principal Redemption Amount or the Principal Amount Outstanding of a Note shall in each case (in the absence of manifest error) be final and binding on all persons.

(ii) The Issuer will cause each determination of a Principal Redemption Amount and Principal Amount Outstanding of Notes to be notified forthwith to the Security Trustee, the Paying Agents, the Reference Agent, Euroclear, Clearstream, Luxembourg, Euronext Amsterdam and to the holders of the Notes. As long as the Notes are admitted to listing, trading and/or quotation on Euronext Amsterdam or by any other competent authority, stock exchange and/or quotation system, notice shall also be published in such other place as may be required by the rules and regulations of such competent authority, stock exchange and/or quotation system as soon as possible after the determination. If no Principal Redemption Amount is due to be made on the Notes on any applicable Quarterly Payment Date a notice to this effect will be given to the Noteholders in accordance with Condition 13.

(iii) If the Issuer does not at any time for any reason determine (or cause the Issuer Administrator to determine) the Principal Redemption Amount or the Principal Amount Outstanding of a Note, such Principal Redemption Amount or such Principal Amount Outstanding shall be determined by the Security Trustee in accordance with this paragraph (d) and paragraph (c) above (but based upon the information in its possession as to the Notes Principal Available Amounts) and each such determination or calculation shall be deemed to have been made by the Issuer.

(e) Optional redemption

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 Quarterly Payment Date falling in April 2017 (the "**First Optional Redemption Date**") and on each Quarterly Payment Date thereafter (each an "**Optional Redemption Date**") redeem, subject to Condition 9(b), all (but not only part of) the Notes (other than the Subordinated Class E Notes) at their Principal Amount Outstanding plus accrued but unpaid interest thereon, after payment of the amounts to be paid in priority to redemption of the Notes.

(f) Redemption following clean-up call

The Seller has the option to repurchase and accept re-assignment of all (but not only part of) the Mortgage Receivables on any Quarterly Payment Date on which the principal amount due on the Mortgage Receivables then outstanding is less than 10 per cent. of the principal amount of the Mortgage Receivables on the Closing Date (the "**Seller Clean-up Call Option**"). On the Quarterly Payment Date following the exercise by the Seller of its Seller Clean-up Call Option the Issuer shall redeem, subject to Condition 9(b), all (but not only part of) the Notes (other than the Subordinated Class E Notes) at their Principal Amount Outstanding plus accrued but unpaid interest thereon, after payment of the amounts to be paid in priority to redemption of the Notes.

(g) Redemption of Subordinated Class E Notes

Provided that no Enforcement Notice has been served in accordance with Condition 10, the Issuer will be obliged to apply the Notes Interest Available Amounts, if and to the extent that all payments ranking above item (p) in the Interest Priority of Payments set forth in the Trust Deed have been made in full, to redeem (or partially redeem) on a pro rata basis the Subordinated Class E Notes on each Quarterly Payment Date until fully redeemed. Any amount so redeemed will be deemed to be a Principal Redemption Amount for the purpose of calculating the Principal Amount Outstanding of each of the Subordinated Class E Notes in accordance with Condition 6(d). Unless previously redeemed in full, the Issuer will, subject to Condition 9(b), redeem the Subordinated Class E Notes at their Principal Amount Outstanding, together with accrued interest, on the Quarterly Payment Date falling in April 2054.

(h) Redemption for tax reasons

The Issuer may (but is not obliged to) redeem all (but not only part of) the Notes at their Principal Amount Outstanding plus accrued but unpaid interest thereon up to and including the date of redemption, subject to and in accordance with the Conditions, including, without limitation, Condition 9(b), if (a) the Issuer or any of the Paying Agents has become or would become obligated to make any withholding or deduction from payments in respect of any of the Notes (although the Issuer will not have any obligation to pay additional amounts in respect of any such withholding or deduction) and/or (b) the Issuer has become or would become subject to any limitation of the deductibility of interest on any of the Notes as a result of (i) a change in any laws, rules or regulations or in the interpretation or administration thereof, or (ii) any act taken by any taxing authority on or after the issue date of the Notes. No redemption pursuant to sub-clause (ii) may be made unless the Issuer receives an opinion of independent counsel that there is a probability that the act taken by the taxing authority leads to one of the events mentioned at (a) or (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 at their respective Principal Amount Outstanding together with accrued interest, at the same time.

7. Taxation

All payments of, or in respect of, principal 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 is 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 be obliged to pay any additional amounts to such Noteholders.

8. Prescription

Claims against the Issuer for payment in respect of the Notes and Coupons shall become prescribed unless made within 5 years from the date on which such payment first becomes due.

9. Principal Deficiency and Principal Shortfall

(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 and subject to the provisions of the Trust Deed.

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

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

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

In the event that on any Notes 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 Quarterly Payment Date, the amount available (if any) shall be applied pro rata to the amount of interest due on such Quarterly Payment Date to the holders of the Subordinated Class E Notes. In the event of a shortfall, the Issuer shall credit the 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 Quarterly Payment Date in accordance with this Condition falls short of the aggregate amount of interest payable on the Subordinated Class E Notes on that date 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 Quarterly Payment Date.

(b) Principal

Until the date on which the Principal Amount Outstanding of all Senior Class A Notes is reduced to zero, the holders of the Mezzanine Class B Notes will not be entitled to any repayment of principal in respect of the Mezzanine Class B Notes. As from that date the Principal Amount Outstanding of the Mezzanine Class B Notes will be redeemed in accordance with the provisions of Condition 6, provided that if, on any Quarterly Payment Date, there is a balance on the Class B Principal Deficiency Ledger, then notwithstanding any other provisions of these Conditions the principal amount payable on redemption of each Mezzanine Class B Note on such Quarterly Payment Date shall not exceed its Principal Amount Outstanding less the relevant Principal Shortfall on such 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 earlier of (i) the Final Maturity Date and (ii) the date on which the Issuer no longer holds any Mortgage Receivables and there are no balances standing to the credit of the GIC Accounts.

Until the date on which the Principal Amount Outstanding of the Senior Class A Notes is reduced to zero and the Principal Amount Outstanding of the Mezzanine Class B Notes is reduced to zero, the Mezzanine Class C Noteholders will not be entitled to any repayment of principal in respect of the Mezzanine Class C Notes. As from that date the Principal Amount Outstanding of the Mezzanine Class C Notes will be redeemed in accordance with the provisions of Condition 6, provided that if, on any Quarterly Payment Date, there is a balance on the Class C Principal Deficiency Ledger, then notwithstanding any other provisions of these Conditions the principal amount payable on redemption of each Mezzanine Class C Note on such Quarterly Payment Date shall not exceed its Principal Amount Outstanding less the relevant Principal Shortfall on such 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 earlier of (i) the Final Maturity Date and (ii) the date on which the Issuer no longer holds any Mortgage Receivables and there are no balances standing to the credit of the GIC Accounts.

Until the date on which the Principal Amount Outstanding of the Senior Class A Notes is reduced to zero and the Principal Amount Outstanding of the Mezzanine Class B Notes is reduced to zero and the Principal Amount Outstanding of all Mezzanine Class C Notes is 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. As from that date the Principal Amount Outstanding of the Junior Class D Notes will be redeemed in accordance with the provisions of Condition 6, provided that if, on any Quarterly Payment Date, there is a balance on the Class D Principal Deficiency Ledger, then notwithstanding any other provisions of these Conditions the principal amount payable on redemption of each Junior Class D Note on such Quarterly Payment Date shall not exceed its Principal Amount Outstanding less the relevant Principal Shortfall on such 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 earlier of (i) the Final Maturity Date and (ii) the date on which the Issuer no longer holds any Mortgage Receivables and there are no balances standing to the credit of the GIC Accounts.

In these Conditions, the "**Principal Shortfall**" means, with respect to any Quarterly Payment Date, an amount equal to (i) the balance of the relevant sub-ledger of the Principal Deficiency Ledger for the relevant Class of Notes, divided by (ii) the number of Notes of the relevant Class on such Quarterly Payment Date.

If on any Notes Calculation Date all amounts of interest and principal due in respect of the Notes, except for principal in respect of the Subordinated Class E Notes, have been paid or will be available for payment on the Quarterly Payment Date immediately following such Notes Calculation Date, the Reserve Account Target Level will be reduced to zero and any amount standing to the credit of the Reserve Account will on the Quarterly Payment Date immediately succeeding such Notes Calculation Date form part of the Notes Interest Available Amounts and will be available to redeem or partially redeem the Subordinated Class E Notes. If on the Quarterly Payment Date on which all amounts of interest and principal due in respect of the Notes, except for principal in respect of the Subordinated Class E Notes, have been paid or will be paid (i) no balance is standing to the credit of the Reserve Account in excess of the Reserve Account Target Level, then notwithstanding any other provisions of these Conditions the Subordinated Class E Noteholders will not be entitled to any repayment of principal in respect of the Subordinated Class E Notes, or (ii) a balance is standing to the credit of the Reserve Account in excess of the Reserve Account Target Level, then notwithstanding any other provisions of these Conditions the amount to be applied towards satisfaction of the Principal Amount Outstanding of each Subordinated Class E Note on such date shall not exceed the balance standing to the credit of the Reserve Account in excess of the Reserve Account Target Level, divided by the number of Subordinated Class E Notes then outstanding. 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 earlier of (i) the Final Maturity Date and (ii) the date on which the Issuer no longer holds any Mortgage Receivables and there are no balances standing to the credit of the GIC Accounts.

(c) General

In the event that the Security in respect of the Notes and the Coupons appertaining thereto has been fully enforced and the proceeds of such enforcement, after payment of all other claims ranking under the Trust Deed in priority to the Subordinated Class E Notes or, as the case may be, the Junior Class D Notes or, as the case may be, the Mezzanine Class C Notes or, as the case may be, the Mezzanine Class B Notes, are insufficient to pay in full all principal and interest and other amounts whatsoever due in respect of the Subordinated Class E Notes or, as the case may be, the Junior Class D Notes or, as the case may be, the Mezzanine Class C Notes or, as the case may be, the Mezzanine Class B Notes, then the Subordinated Class E Noteholders or, as the case may be, the Junior Class D Noteholders or, as the case may be, the Mezzanine Class C Noteholders or, as the case may be, the Mezzanine Class B Noteholders 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 or, 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 subparagraph (a) up to and including (f) 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) the Issuer is in default for a period of 15 days or more in the payment on the due date of any amount due in respect of the Notes of the Relevant Class; or

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

(c) if a conservatory attachment (*conservatoir beslag*) or an executory attachment (*executoriaal*

beslag) on any major part of the Issuer's assets is made and not discharged or released within a period of 30 days; or

(d) if any order shall be made by any competent court or other authority or a resolution passed for the dissolution or winding-up of the Issuer or for the appointment of a liquidator or receiver of the Issuer in respect 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 or becomes subject to any other regulation having a similar effect,

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

11. Enforcement

(a) Enforcement

At any time after the Notes of any Class become due and payable, the Security Trustee may, at its discretion and without further notice, take such steps and/or institute such proceedings as it may think fit to enforce the security created by the Issuer in favour of the Security Trustee pursuant to the terms of the Trust Deed and the Pledge Agreements, including the making of a demand for payment thereunder, 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. The Security Trustee will enforce the Security pursuant to the terms of the Trust Deed and the Pledge Agreements for the benefit of all Security Beneficiaries, including, but not limited to, the Noteholders, and will apply the net proceeds received or recovered towards satisfaction of the Parallel Debt. The Security Trustee shall distribute such net proceeds (after deduction of the amounts due and payable to the Savings Mortgage Participants) to the Security Beneficiaries (other than the Savings Mortgage Participants) in accordance with the Post-Enforcement Priority of Payments set forth in the Trust Deed.

(b) No Action against Issuer by Noteholders

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) Undertaking Noteholders and Security Trustee

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 1 year after the last maturing Note is paid in full.

(d) Limitation of Recourse

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

13. Notices

With the exception of the publications of the Reference Agent in Condition 4 and of the Issuer in Condition 6, all notices to the Noteholders will only be valid if published in at least one daily newspaper of wide circulation in the Netherlands, or, if all such newspapers shall cease to be published or timely publication therein shall not be practicable, in such newspaper as the Security Trustee shall approve having a general circulation in Europe and as long as the Notes are admitted to listing, trading and/or quotation on Euronext Amsterdam or by any other competent authority, stock exchange and/or quotation system, notice shall also be published in

such other place as may be required by the rules and regulations of such competent authority, stock exchange and/or quotation system. Any notice shall be deemed to have been given on the first date of such publication.

14. Meetings of Noteholders; Modification; Consents; Waiver

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

(a) *Meeting of Noteholders*

The Trust Deed contains provisions for convening meetings of the Senior Class A Noteholders, the Mezzanine Class B Noteholders, the Mezzanine Class C Noteholders, the Junior Class D Noteholders 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 of a change of any of these Conditions or any provisions of the Transaction Documents, provided that no change of certain terms by the Noteholders of any Class including the date of maturity of the Notes of the relevant Class, or a change which would have the effect of postponing any day for payment of interest in respect of such Notes, reducing or cancelling the amount of principal payable in respect of such Notes or altering the majority required to pass an Extraordinary Resolution or any alteration of the date or priority of redemption of such Notes (any such change in respect of any such class of Notes referred to below as a "**Basic Terms Change**") shall be effective 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, such Basic Terms Change may be sanctioned by an Extraordinary Resolution of the Noteholders of the relevant Class of Notes as described below.

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 shall be adopted with not less than a two-third majority of the validly cast votes, except that the quorum required for an Extraordinary Resolution including the sanctioning of a Basic Terms Change shall be at least 75 per cent. of the amount of the Principal Amount

Outstanding of the Notes of the relevant Class and the majority required shall be at least 75 per cent. of the validly cast votes in respect of that Extraordinary Resolution. If at such meeting the aforesaid quorum is not represented, a second meeting of Noteholders will be held within 1 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 can be 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 appointment, 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 at such second meeting.

No Extraordinary Resolution to sanction a change which would have the effect of accelerating or extending the maturity of 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, or any date for payment of interest thereon, reducing or cancelling the amount of principal or altering the rate of interest payable in respect of 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, shall take effect unless (i) the Issuer has agreed thereto, (ii) the Swap Counterparty has agreed thereto and (iii) it shall have been sanctioned with respect to the Senior Class A Notes by an Extraordinary Resolution of the Mezzanine Class B Noteholders, the Mezzanine Class C Noteholders, the Junior Class D Noteholders or the Subordinated Class E Noteholders.

An Extraordinary Resolution passed at any meeting of the Senior Class A Noteholders shall be binding on all other Classes of Noteholders, irrespective of its effect upon them, except in case of an Extraordinary Resolution to sanction a Basic Terms Change, which shall not take effect unless it shall have been sanctioned by an Extraordinary Resolution of the lower ranking Classes of Noteholders or the Security Trustee is of the opinion that it will not be materially prejudicial to the respective interests of the lower ranking Classes of Noteholders.

Without prejudice to the paragraph below, an Extraordinary Resolution (other than a sanctioning Extraordinary Resolution referred to in the previous paragraph) passed at any meeting of a Class of Noteholders (other than the Senior Class A Noteholders) or, as the case may be, Classes of Noteholders (other than the Senior Class A Noteholders) shall not be effective, unless it shall have been sanctioned by an Extraordinary Resolution of the Senior Class A Noteholders or the Security Trustee is of the opinion that it will not be materially prejudicial to the interests of the Senior Class A Noteholders.

An Extraordinary Resolution passed at any meeting of a Class of Noteholders (other than

the Senior Class A Noteholders) or, as the case may be, Classes of Noteholders (other than the Senior Class A Noteholders), which is effective in accordance with the paragraph above, shall be binding on all other Classes of Noteholders, irrespective of its effect upon them, except in case of an Extraordinary Resolution to sanction a Basic Terms Change, which shall not take effect unless it shall have been sanctioned by an Extraordinary Resolution of the other Classes of Noteholders or the Security Trustee is of the opinion that it will not be materially prejudicial to the respective interests of the other Classes of Noteholders.

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) Voting

Each Note carries one vote. The Issuer and its affiliates may not vote on any Notes held by them directly or indirectly. Such Notes will not be taken into account in calculating the aggregate outstanding amount of the Notes.

(c) Modification, authorisation and waiver without consent of Noteholders

The Security Trustee may agree, without the consent of the Noteholders, to (i) any modification of any of the provisions of the Transaction Documents which is of a formal, minor or technical nature or is made to correct a manifest error and is notified to the Rating Agencies and (ii) any other modification (except if prohibited in the Transaction Documents), and any waiver or authorisation of any breach or proposed breach of any of the provisions of the Transaction Documents, which is in the opinion of the Security Trustee not materially prejudicial to the interests of the Noteholders, in respect of (ii) only, subject to each Rating Agency either (i) having provided a Rating Agency Confirmation in respect of the relevant event or matter or (ii) by the 15th day after it was notified of such event or matter not having indicated (a) which conditions are to be met before it is in a position to grant a Rating Agency Confirmation or (b) that the then current ratings assigned by it to the Notes will be adversely affected by or withdrawn as a result of the relevant event or matters. 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.

(d) Indemnification for individual Noteholders

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 Principal Paying Agent or 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, and in the case of Coupons together with the Note and all unmatured Coupons to which they appertain (*mantel en blad*), before replacements will be issued.

16. Governing Law

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

THE GLOBAL NOTES

Each Class of the Notes shall be initially represented by (i) in the case of the Senior Class A1 Notes, a Temporary Global Note in bearer form, without coupons attached, in the principal amount of € 180,000,000, (ii) in the case of the Senior Class A2 Notes, a Temporary Global Note in bearer form, without coupons attached, in the principal amount of € 665,000,000, (iii) in the case of the Mezzanine Class B Notes, a Temporary Global Note in bearer form, without coupons attached, in the principal amount of € 16,100,000, (iv) in the case of the Mezzanine Class C Notes, a Temporary Global Note in bearer form, without coupons attached, in the principal amount of € 13,400,000, (v) in the case of the Junior Class D Notes, a Temporary Global Note in bearer form, without coupons attached, in the principal amount of € 15,100,000 and (vi) in the case of the Subordinated Class E Notes, a Temporary Global Note in bearer form without coupons attached, in the principal amount of € 9,000,000. The Temporary Global Notes representing the Senior Class A1 Notes and the Senior Class A2 Notes will be deposited with Euroclear Bank S.A./N.V. as 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 11 April 2012. The Temporary Global Notes representing the Notes (other than the Senior Class A Notes) will be deposited with Deutsche Bank AG, London Branch as common safekeeper for Euroclear Bank S.A./N.V., as operator of the Euroclear and Clearstream, Luxembourg on or about 11 April 2012. Upon deposit of each such Temporary Global Note, Euroclear and Clearstream, Luxembourg will credit each purchaser of the Notes represented by such Temporary Global Notes with the amount of the relevant Class of Notes equal to the amount thereof for which it has purchased and paid. Interests in each Temporary Global Note will be exchangeable (provided certification of non-U.S. beneficial ownership by the Noteholders has been received) not earlier than 40 days after the issue date of the Notes (the "**Exchange Date**") for interests in a permanent global note (each a "**Permanent Global Note**"), in bearer form, without coupons attached, in the amount of the Notes of the relevant Class (the expression "**Global Notes**" meaning the Temporary Global Notes of each Class and the Permanent Global Notes of each Class 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, the Permanent Global Note will remain deposited with the relevant common safekeeper.

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

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

For as long as all of the Notes are represented by the Global Notes and such Global Notes are held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relevant accountholders rather than by publication as required by Condition 13 (provided that, in the case of 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 7th day after the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

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

If after the Exchange Date (i) the Notes become immediately due and payable by reason of accelerated maturity following an Event of Default, or (ii) either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business and no alternative clearance system satisfactory to the Security Trustee is available, or (iii) as a result of any amendment to, or change in the laws or regulations of the Netherlands (or of any political sub-division thereof) or of any authority therein or thereof having power to tax, or in the interpretation or administration of such laws or

regulations, which becomes effective on or after the Closing Date, the Issuer or the Principal Paying Agent or the Paying Agent is or will be required to make any deduction or withholding on account of tax from any payment in respect of the Notes which would not be required were the Notes in definitive form, then the Issuer will at its sole cost and expense, issue:

(i) Senior Class A1 Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Senior Class A1 Notes;
(ii) Senior Class A2 Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Senior Class A2 Notes;
(iii) Mezzanine Class B Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Mezzanine Class B Notes;
(iv) Mezzanine Class C Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Mezzanine Class C Notes;
(v) Junior Class D Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Junior Class D Notes; and
(vi) Subordinated Class E Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Subordinated Class E Notes.

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

The Definitive Notes and the Coupons will bear the following legend: "Any United States Person (as defined in the Internal Revenue Code), who holds this obligation will be subject to the limitations under the United States income tax laws, including limitations provided in Section 165(j) and 1287(a) of the Internal Revenue Code". The Sections referred to in the legend provide that such a United States Person will not, with certain exceptions, be permitted to deduct any loss, and will not be eligible for favourable capital gains treatment with respect to any gain, realised on a sale, exchange or redemption of a Definitive Note or Coupon.

TAXATION

Dutch Taxation

The following summary outlines certain Dutch tax consequences to holders of the Notes in connection with the acquisition, ownership and disposal of Notes. The summary does not purport to present any comprehensive or complete picture of all Dutch tax aspects that could be of relevance to a (prospective) Noteholder who may be subject to special tax treatment. The summary is based on the current tax law and practice of the Netherlands as in effect on the date of this OC, which is subject to changes that could prospectively or retrospectively affect the stated tax consequences. Prospective holders of Notes should consult their own professional advisors as to their tax position.

Withholding Tax

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

Taxes on Income and Capital Gains

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

(i) such holder is neither a resident nor deemed to be a resident of the Netherlands, nor, if he is an individual, has elected to be taxed as a resident of the Netherlands; and

(ii) such holder does not have an enterprise or an interest in an enterprise that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands and to which enterprise or part of an enterprise, as the case may be, the Notes are attributable; and

(iii) if such holder is an individual, such income or capital gain do not form "benefits from miscellaneous activities in the Netherlands" (*resultaat uit overige werkzaamheden in Nederland*), which would for instance be the case if the activities in the Netherlands with respect to the Notes exceed "normal active asset management" (*normaal, actief vermogensbeheer*) or if income and gains are derived from the holding, whether directly or indirectly, of (a combination of) shares, debt claims or other rights (together, a "lucrative interest") that the holder thereof has acquired under such circumstances that such income and gains are intended to be remuneration for work or services performed by such holder (or a related person) in the Netherlands, whether within or outside an employment relation, where such lucrative interest provides the holder thereof, economically speaking, with certain benefits that have a relation to the relevant work or services.

A holder of Notes will not be subject to taxation in the Netherlands by reason only of the execution, delivery and/or enforcement of the Transaction Documents and the issue of the Notes or the performance by the Issuer of its obligations there under or under the Notes.

Gift, Estate and Inheritance Taxes

No gift, estate or inheritance taxes will arise in the Netherlands with respect to an acquisition or deemed acquisition of Notes by way of a gift by, or on the death of, a holder of Notes who is neither resident, deemed to be resident for Dutch inheritance and gift tax purposes, unless in the case of a gift of Notes by an individual who at the date of the gift was neither resident nor deemed to be resident in the Netherlands, such individual dies within 180 days after the date of the gift, while being resident or deemed to be resident in the Netherlands.

For the purposes of Netherlands gift, estate and inheritance tax, a gift that is made under a condition precedent is deemed to be made at the moment such condition precedent is satisfied or, if earlier, the moment the donor dies.

For purposes of Netherlands gift, estate and inheritance tax, an individual who holds the Netherlands nationality will be deemed to be resident in the Netherlands if he has been resident in the Netherlands at any time during the 10 years preceding the date of the gift or his death.

For purposes of Netherlands gift tax, an individual not holding the Netherlands nationality will be deemed to be resident in the Netherlands if he has been resident in the Netherlands at any time during the 12 months preceding the date of the gift.

Turnover Tax

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

Other Taxes and Duties

No Dutch registration tax, capital tax, custom duty, transfer tax, stamp duty or any other similar documentary tax or duty, other than court fees, will be payable in the Netherlands in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including the enforcement of any foreign judgment in the Courts of the Netherlands) of the Transaction Documents or the performance by the Issuer of its obligations there under or under the Notes.

European Union Tax Considerations

Under the EU Council Directive 2003/48/EC, as amended on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such

payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories have (agreed to) adopt(ed) similar measures.

FATCA Withholding

On March 18, 2010, the Hiring Incentives to Restore Employment Act was enacted, containing provisions (the "**FATCA**") from the former Foreign Account Tax Compliance Act of 2009. FATCA imposes a withholding tax of 30 per cent. on certain U.S. source payments and any gross proceeds from the sale or other disposition of any property of a type that can produce interest or dividends from sources within the United States, as well as a portion of certain payments by non-U.S. entities, to persons that fail to meet requirements under FATCA. This withholding tax may be imposed on (i) payments to the Issuer if it does not enter into or comply with an agreement with the IRS (an "IRS Agreement") to obtain and report information about the holders of Notes, or (ii) a portion of payments to holders or beneficial holders of Notes, if the Issuer does enter into an IRS Agreement and is unable to obtain the necessary information from those holders or beneficial owners. Withholding would be imposed from (x) 1 January 2014 in respect of certain U.S. source payments made on or after that date and (y) 1 January 2015 in respect of any gross proceeds from the sale or other disposition of any property of a type that can produce interest or dividends from sources within the United States. Withholding should not be required with respect to payments on the Notes before 1 January 2017 and then only on Notes issued after 31 December 2012.

The future application of FATCA to the Issuer and the holders of Notes is uncertain, and it is not clear at this time what actions, if any, will be required to minimize any adverse impact of FATCA on the Issuer and the holders of Notes. It is currently the intention of the Issuer to enter into an IRS Agreement. However, if the Issuer does not enter into the IRS Agreement or fails to comply with the IRS Agreement, and is therefore subject to the 30 per cent. withholding tax, the Issuer may have less cash to make interest and principal payments on the Notes.

If the Issuer does enter into the IRS Agreement, and Notes are issued after 31 December 2012, then to the extent payments are not otherwise excluded from the FATCA regime, an investor that is not a financial institution may be required to provide the information described below or be subject to U.S. withholding tax on a portion of interest and principal on the Notes and the proceeds from their sale. Investors that (a) are financial institutions, or financial institutions that receive payments on behalf of another person, and (b) have not entered an agreement with the IRS regarding compliance with (or otherwise established an exemption from) FATCA would also be subject to this U.S. withholding tax. Each holder or beneficial owner of Notes may be required to provide satisfactory documentation (i) to establish that it is not a U.S. person, or (ii) if it is a U.S. person, that indicate its name, address and U.S. taxpayer identification number, or (iii) if it is a non-financial foreign entity, that indicate the name, address and U.S. taxpayer identification number of any of its substantial United States owners. Each holder or beneficial owner of Notes that is required to provide such information and fails to do so will generally be subject to a U.S. withholding tax on any payments made to that holder. A holder or beneficial owner of Notes who fails to provide the necessary information or whose account information

cannot be reported to the IRS due to a non-U.S. law prohibiting the provision of this information must execute a valid waiver of the relevant non-U.S. law or dispose of the Notes or its interest therein within a reasonable period of time.

If US withholding referred to in this "FATCA Withholding" paragraph is required, there will be no gross-up (or any other additional amount) payable by way of compensation to the holder of the Notes for the amount of tax deducted. Furthermore, it is uncertain at this time how the reporting mechanism will operate. In particular, certain changes will likely have to occur with the operation of Euroclear, Clearstream, Luxembourg and other similar clearing systems. In particular, at this time it is not entirely clear whether the reporting obligations will apply to the Issuer, the relevant clearing system or the financial institution with which the beneficial owner has an account.

FATCA is particularly complex and its application to the Issuer is uncertain at this time. Each holder of Notes should consult its own tax advisor to obtain a more detailed explanation of FATCA and to learn how it might affect such holder in its particular circumstance.

SUBSCRIPTION AND SALE

The Managers have, pursuant to a subscription agreement dated 5 April 2012 between the Managers, the Issuer and the Seller (the "**Subscription Agreement**") agreed with the Issuer, subject to certain conditions, to jointly and severally subscribe, or procure the subscription for the Notes at their issue price. The Issuer has agreed to indemnify and reimburse the Managers against certain liabilities and expenses in connection with the issue of the Notes.

Furthermore, the Seller has, *inter alia*, undertaken with the Issuer and the Managers in the Subscription Agreement that (a) it will purchase the Notes (other than the Senior Class A Notes) through the Managers on the Closing Date in order to comply with the requirement to retain a material net economic interest of not less than 5% in the securitisation in accordance with Article 122a of the Capital Requirements Directive, (b) it will, as long as there are any Notes outstanding, retain a material net economic interest of not less than 5% in the securitisation in accordance with Article 122a the Capital Requirements Directive and it will provide the Issuer and the Managers at the latest on the third Business Day prior to each Notes Calculation Date with an overview of the items comprising such interest and (c) it will ensure that it has available all materially relevant data with a view to complying with Article 122a paragraph (7) of the Capital Requirements Directive and it will comply promptly with a request of any of the Noteholders or potential investor in any of the Notes to provide such data.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular to the public in that Relevant Member State other than:

(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 (x) an average of at least 250 employees during the last financial year, (y) a total balance sheet of more than € 43,000,000 and (z) 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 falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes shall require the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive

For the purposes of this provision, the expression an offer of Notes to the public in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression 'Prospectus Directive' means Directive 2003/71/EC, as amended by Directive 2010/73/EU and includes any relevant implementing measure in each Relevant Member State.

The Netherlands

Each of the Managers represents and agrees that (a) it is a PMP and (b) it has offered or sold and will offer or sell, directly or indirectly, as part of the initial distribution or at any time thereafter, the Notes exclusively to PMP's.

United Kingdom

Each of the Managers has represented, warranted 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 any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer.

United States

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or under any state securities laws of the United States. Therefore, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, any U.S. person, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and other applicable state securities laws. Accordingly, each of the Managers has agreed that it will only offer or sell the Notes outside the United States to certain persons other than U.S. persons in reliance upon Regulation S promulgated under the Securities Act (see *Notice to Investors* below). In connection with sales of the Notes outside the United States, each of the Managers has agreed that it will not offer, sell or deliver the Notes to, or for the account or benefit of, any U.S. person, (1) as part of its distribution at any time or (2) otherwise prior to 40 days after the later of the commencement of the offering of the Notes and the closing date of the offering of the Notes. The Managers will send to each dealer to whom it sells Notes during such period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, any U.S. person. Terms used above have the

meanings given to them in Regulation S promulgated under the Securities Act.

Investment Company Act of 1940.
The Issuer will not be registered under the US Investment Company Act of 1940, as amended (the "**1940 Act**"), and it is not intended that the Issuer will operate as a registered investment company thereunder. As a result, the Issuer will not be subject to regulation under the 1940 Act, which includes rules for the protection of investors that, among other things, (i) require investment companies to have a majority of disinterested directors and (ii) regulate the relationship between an investment adviser and an investment company. Investors in the Notes will, therefore, not have these protections under the 1940 Act.

Service of Process.
The Issuer and its respective officers are not residents of the United States and all or a substantial portion of the assets of such persons are located outside of the United States. As a result, it may not be possible for investors to effect service of process within the United States on such parties or to enforce against them judgments of United States courts. Further, civil liabilities predicated on federal or state securities laws, in original actions or in actions for enforcement of judgments of United States courts, may not be enforceable in jurisdictions located outside of the United States.

Notice to investors
The Notes have not been and will not be registered under the Securities Act or any other applicable securities laws, and may not be offered or sold within the United States or to, or for the account or benefit of, any U.S. person except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and such other securities laws. Accordingly, the Notes (and any interests therein) are only being offered and sold outside the United States in reliance upon Regulation S promulgated under the Securities Act to non-U.S. persons who will be required to make certain representations prior to their investment in the Notes.

Each purchaser (not including the Managers as initial purchasers) of the Notes will be deemed to have represented, agreed and acknowledged as follows:

1. It is purchasing the Notes for its own account or an account with respect to which it exercises sole investment discretion and that it and any such account is outside the United States in compliance with Regulation S, and is not a U.S. person as defined under Regulation S.

2. It acknowledges that the Notes have not been registered under the Securities Act or any other applicable securities laws and that they may not be offered, sold, pledged or otherwise transferred within the United States or to, or for the account or benefit of, any U.S. person except as set forth below.

3. It will not offer, resell, pledge or otherwise transfer any of the Notes except (a) to the Issuer or any of its subsidiaries, (b) pursuant to an effective registration statement under the Securities Act, (c) outside the United States in an offshore transaction in compliance with Regulation S, or (d) pursuant to any other exemption from the registration requirements of the Securities Act (if available), and in each case, in accordance with any applicable securities laws of any state of the United States.

4. It agrees that it will give to each person to whom it transfers the Notes notice of any restrictions on transfer of such Notes.

The Notes will be represented upon issuance by a temporary global security which is not exchangeable for definitive securities until the expiration of the 40-day distribution compliance period and, in the case of persons other than distributors, until certification of beneficial ownership of the Notes by a non-U.S. person or a U.S. person who purchased the Notes in a transaction that does not require registration under the Securities Act.

The Notes will bear a legend to the following effect:

"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE 'SECURITIES ACT'), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND PRIOR TO THE DATE THAT IS 40 DAYS AFTER THE LATER OF THE COMMENCEMENT OF THE OFFERING OF THE NOTES AND THE ISSUE DATE MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE UNITED STATES OR TO A U.S. PERSON (AS DEFINED IN REGULATION S PROMULGATED UNDER THE SECURITIES ACT) EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES."

Because of the foregoing restrictions, purchasers of the Notes are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Notes.

General

The distribution of this Offering Circular and the offering and sale of the Notes in certain jurisdictions may be restricted by law; persons into whose possession this Offering Circular comes are required by the Issuer and the Managers to inform themselves about and to observe any such restrictions. This Offering Circular does not constitute an offer, or an invitation to subscribe for or purchase, any Notes.

IMPORTANT INFORMATION

The Issuer is responsible for the information contained in this Offering Circular, other than for the information for which the Seller or the Arranger is responsible, as referred to in the following two paragraphs. 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 Offering Circular 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 this Offering Circular has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by that third-party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer accepts responsibility accordingly.

For the information contained in the following sections of this Offering Circular: *Overview of the Dutch Residential Mortgage Market*, *Obvion N.V.*, *Stichting Pensioenfonds ABP*, *Description of Portfolio Mortgage Loans*, *NHG Guarantee Programme*, *Mortgage Loan Underwriting and Servicing*, in the paragraph *Article 122a of the Capital Requirements Directive* and in the following paragraph, the Issuer has relied on information from the Seller, for which the Seller is responsible. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in these sections and paragraphs referred to in this paragraph is in accordance with the facts and does not omit anything likely to affect the import of such information. The Seller accepts responsibility accordingly. For the information contained in section *Rabobank* of this Offering Circular, the Issuer has relied on information from the Arranger, for which the Arranger and the Seller are responsible. To the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in the section *Rabobank* is in accordance with the facts and does not omit anything likely to affect the import of such information. The Arranger and the Seller accept responsibility accordingly. For the information contained in paragraph *Stater Nederland B.V.* in section *Mortgage Loan Underwriting and Servicing* of this Offering Circular, the Issuer has relied on information from Stater. Stater is responsible solely for the information contained in paragraph *Stater Nederland B.V.* in section *Mortgage Loan Underwriting and Servicing* of this Offering Circular and not for information contained in any other section and consequently, Stater does not assume any liability in respect of the information contained in any paragraph other than the paragraph Stater Nederland B.V. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), the information contained in the section referred to in this paragraph is in accordance with the facts and does not omit anything likely to affect the import of such information. Stater accepts responsibility accordingly. The information in these sections and any other information from third-parties contained and specified as such in this Offering Circular has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by that third-party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Seller has undertaken to retain a material net economic interest of not less than 5% in the securitisation in accordance with Article 122a of the Capital Requirements Directive. As at the Closing Date, such interest will in accordance with Article 122a paragraph (1) sub-praragraph d) be comprised of an interest in the first loss tranche and, if necessary, other tranches having the same or a more severe risk profile than those sold to investors. The Seller has provided a corresponding undertaking with respect to the interest to be retained by it during the period in which the Notes are outstanding to the Managers and to the Issuer in the Subscription Agreement. In addition to the information set out herein and forming part of this Offering Circular, the Seller has undertaken to make available materially relevant data with a view to complying with Article 122a paragraph (7) of the Capital Requirements Directive, which can be obtained from the Seller upon request. After the Closing Date, the Issuer will prepare quarterly investor reports wherein relevant information with regard to the Mortgage Loans and Mortgage Receivables will be disclosed publicly together with a confirmation of the retention of the material net economic interest by the Seller. The quarterly investor reports can be obtained at: www.atccapitalmarkets.com. Each prospective investor is required to independently assess and determine the sufficiency of the information described above for the purposes of complying with Article 122a and none of the Issuer, the Seller (in its capacity as the Seller and the Servicer), the Issuer Administrator nor the Managers makes any representation that the information described above is sufficient in all circumstances for such purposes.

This Offering Circular is to be read in conjunction with the articles of association included in the deed of incorporation of the Issuer dated 26 March 2012 which is deemed to be incorporated herein by reference (see section *General Information* below). This Offering Circular shall be read and construed on the basis that such document is incorporated in, and forms part of, this Offering Circular.

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

This Offering Circular does not constitute an offer to sell or a solicitation of an offer to buy Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction. The distribution of this document and the offering of the Notes in certain jurisdictions may be restricted by law.

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

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

Before making an investment decision with respect to any Notes, prospective investors should consult their own stockbroker, bank manager, lawyer, accountant or other financial, legal and tax advisers and carefully review the risks entailed by an investment in the Notes and consider such an investment decision in the light of the prospective investor's personal circumstances.

Neither the delivery of this Offering Circular at any time nor any sale made in connection with the offering of the Notes shall imply that the information contained herein is correct at any time subsequent to the date of this Offering Circular. The Issuer does not have the obligation to update this Offering Circular, except when required by the listing and issuing rules of Euronext Amsterdam or any other regulation.

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

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

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and are subject to United States tax law requirements. The Notes may not be offered or sold within the United States, or to or for the account or benefit of any U.S. person, unless the offer or sale would qualify for a registration exemption from the Securities Act and applicable state securities laws (see section *Subscription and Sale* above*)*.

In connection with the issue of the Notes, Rabobank International, or any other appointed person acting for Rabobank International, may over-allot or effect transactions that stabilise or maintain the market price of the Notes at a level that might not otherwise prevail. However, there is no obligation on Rabobank International to undertake these actions. Any stabilisation action may be discontinued at any time but will, in accordance with the rules of Euronext Amsterdam, in any event be discontinued at the earlier of 30 days after the issue date of the Notes and 60 days after the date of allotment of the Notes. Stabilisation transactions will be conducted in compliance with all applicable laws and regulations, as amended from time to time.

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

GENERAL INFORMATION

1. The issue of the Notes has been authorised by a resolution of the managing director of the Issuer passed on 4 April 2012.

2. The Senior Class A1 Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam and will bear common code 076353611 and ISIN XS0763536116.

3. The Senior Class A2 Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam and will bear common code 076353697 and ISIN XS0763536975.

4. The Mezzanine Class B Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam and will bear common code 076355371 and ISIN XS0763553715.

5. The Mezzanine Class C Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam and will bear common code 076359296 and ISIN XS0763592960.

6. The Junior Class D Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam and will bear common code 076359318 and ISIN XS0763593182.

7. The Subordinated Class E Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam and will bear common code 076359326 and ISIN XS0763593265.

8. The address of Euroclear is 1 Boulevard de Roi Albert II, 1210 Brussels, Belgium. The address of Clearstream, Luxembourg is 42 Avenue J.F. Kennedy, L-1855 Luxembourg.

9. Ernst & Young Accountants LLP has given and has not withdrawn its written consent to the issue of this offering circular with its report included herein in the form and context in which it appears.

10. Copies of the following documents may be inspected at the specified offices of the Security Trustee and the Paying Agent during normal business hours, as long as any Notes are outstanding:

(i) the Offering Circular;
(ii) the deed of incorporation of the Issuer;
(iii) the Mortgage Receivables Purchase Agreement;
(iv) the Paying Agency Agreement;
(v) the Trust Deed;
(vi) the Security Beneficiaries Agreement;
(vii) the Mortgage Receivables Pledge Agreement;
(viii) the Issuer Rights Pledge Agreement;
(ix) the GIC Accounts Pledge Agreement;
(x) the Servicing Agreement;
(xi) the Issuer Administration Agreement;
(xii) the Sub-Participation Agreements;
(xiii) the Floating Rate GIC;
(xiv) the Liquidity Facility Agreement;
(xv) the Swap Agreement;
(xvi) the Conditional Deed of Novation;
(xvii) the Beneficiary Waiver Agreement;
(xviii) the Master Definitions Agreement;
(xix) the Commingling Guarantee;
(xx) the Construction Deposits Guarantee;
(xxi) the Subscription Agreement; and
(xxii) the articles of association of the Security Trustee.

11. No statutory or non-statutory accounts in respect of any financial year of the Issuer have been prepared. So long as the Notes are listed on Euronext Amsterdam, the most recently published audited annual accounts of the Issuer from time to time will be available at the specified offices of the Security Trustee.

12. The following document is incorporated herein by reference:

(a) the deed of incorporation which includes the articles of association of the Issuer dated 26 March 2012.

A free copy of the Issuer's articles of association is available at the office of the Issuer located: Fred. Roeskestraat 123-I, 1076 EE Amsterdam, the Netherlands.

13. 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.atccapitalmarkets.com.

14. The estimated aggregate upfront cost of the transaction amount to approximately 0.1 per cent. of the proceeds of the Notes. There are no costs deducted by the Issuer from any investment

made by any Noteholder in respect of the subscription or purchase of the Notes.

15. This Offering Circular constitutes a prospectus for the purpose of the Prospectus Directive. A free copy of the Offering Circular is available at the offices of the Issuer, the Arranger and the Paying Agent, or can be obtained at https://www.atcgroup.com/ > Capital Markets > Transactions Reporting > Offering Circular.

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SECURITY TRUSTEE

Stichting Security Trustee STORM 2012-II
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The Netherlands

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1017 CA Amsterdam
The Netherlands

REFERENCE AGENT

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London EC2N 2DB
United Kingdom

COMMON SAFEKEEPER

In respect of the Senior Class A1 Notes and the Senior Class A2 Notes

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B-1210 Brussels
Belgium

In respect of the Notes (other than the Senior Class A1 Notes and the Senior Class A2 Notes)

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1 Great Winchester Street
London EC2N 2DB
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6411 CH Heerlen
The Netherlands

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