

## IMPORTANT NOTICE

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

This Base Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither any Seller nor the Issuer nor any person who controls it nor any director, officer, employee nor agent of it or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Base Prospectus distributed to you in electronic format and the hard copy version available to you on request from any Seller or the Issuer.

## DOLPHIN MASTER ISSUER B.V.

(incorporated with limited liability in the Netherlands)

EUR 100,000,000,000

Residential Mortgage Backed Notes Programme

**ABN AMRO Bank N.V., Direktbank N.V., Oosteroever Hypotheken B.V. and Quion 9 B.V.**  
**as Sellers**

<b>Notes</b>	Under the Programme the Issuer may from time to time issue Class A Notes, Class B Notes, Class C Notes, Class D Notes and Class E Notes as set out in the Applicable Final Terms. The Notes may be issued in one or more Series. Each Series will consist of one or more Classes of Notes and each Class may consist of two or more Sub-Classes.
<b>Use of proceeds</b>	The net proceeds of the Notes, other than the Class E Notes, will be used by the Issuer to provide IC Loans to the Asset Purchaser, and for certain other purposes, including the redemption and purchase of other Notes. The Asset Purchaser will use the net proceeds of an IC Loan to purchase Mortgage Receivables and the Beneficiary Rights relating thereto from any Seller. The net proceeds of the Class E Notes will be credited to the Issuer Reserve Account or will be available to redeem other Notes.
<b>Underlying Assets</b>	The Issuer will make payments on the Notes from payments received under the IC Loans from the Asset Purchaser and the Asset Purchaser will make payments under the IC Loans from, <i>inter alia</i> , payments if principal and interest received from a portfolio of Mortgage Receivables which have been sold by the Sellers to the Asset Purchaser and which are secured over residential properties situated in the Netherlands.
<b>Security for the Notes</b>	The Noteholders will, together with the other Secured Creditors, benefit from security rights created in favour of the Security Trustee over, <i>inter alia</i> , the Mortgage Receivables (see section 4.10 ( <i>Security</i> )).
<b>Denomination</b>	The Notes will have a minimum denomination of EUR 100,000.
<b>Currencies</b>	The Notes may be denominated in euros or in any other Specified Currency as set out in the Applicable Final Terms.
<b>Form</b>	The Notes will be in bearer form. The Notes will be represented by Global Notes, without coupons attached. Interests in the Global Notes will only in limited circumstances be exchangeable for Notes in definitive form.
<b>Interest</b>	The Notes will carry floating or fixed rates of interest as specified in the Applicable Final Terms. See further Condition 4 ( <i>Interest</i> ).
<b>Redemption Provisions</b>	The Notes will be in the form of Soft-bullet Notes or Pass-through Notes as specified in the Applicable Final Terms. The Notes will mature on the Final Maturity Date. On the First Optional Redemption Date and each Optional Redemption Date thereafter and in certain other circumstances, the Issuer will have the option to redeem all Notes of a Series and Class or Sub-class or all Notes (as applicable). See further Condition 6 ( <i>Redemption</i> ).
<b>Subscription and Sale</b>	The Notes will be issued to any Dealer appointed under the Programme by the issuer or, in respect of each individual issue, Manager as defined in the Applicable Final Terms.
<b>Credit Rating Agencies</b>	Each of the Credit Rating Agencies is established in the European Union and is registered under the CRA Regulation. As such each of the Credit Rating Agencies is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.
<b>Credit Ratings</b>	Credit Ratings will be assigned to the Notes, other than the Class E Notes, as set out below on or before each Issuer Date.

	<p>It is expected that, for each issue of a Series of Notes, the Class A Notes be assigned a 'AAA' (sf) credit rating by S&amp;P, a 'Aaa'(sf) credit rating by Moody's and a 'AAA' (sf) credit rating by DBRS, the Class B Notes be assigned a 'AA' (sf) credit rating by S&amp;P, a 'Aa3' (sf) credit rating by Moody's and a 'AA' (sf) credit rating by DBRS, the Class C Notes be assigned a 'A' (sf) credit rating by S&amp;P, a 'A2' (sf) credit rating by Moody's and a 'A' (sf) credit rating by DBRS and the Class D Notes be assigned a 'Baa2' (sf) credit rating by Moody's and a 'BBB' (sf) credit rating by DBRS,</p> <p><b>The assignment of credit ratings to the Notes, other than the Class E Notes, is not a recommendation to invest in the Notes. Any credit rating assigned to the Notes may be reviewed, revised, suspended or withdrawn at any time. Any such review, revision, suspension or withdrawal could adversely affect the market value of the Notes.</b></p>
<b>Listing</b>	<p>The Notes may be listed on Euronext Amsterdam or on any other stock exchange specified in the Applicable Final Terms.</p> <p>This Base Prospectus has been approved by the AFM and constitutes a base prospectus for the purposes of the Prospectus Directive.</p>
<b>Eurosystem Eligibility</b>	<p>The Applicable Final Terms may specify that the Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that such Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper. It does not necessarily mean that such Notes will be recognised as 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.</p>
<b>Limited recourse obligations</b>	<p>The Notes will be limited recourse obligations of the Issuer alone and will not be the obligations of, or guaranteed by, or be the responsibility of, any other entity. The Issuer will have limited sources of funds available. See section 2 (<i>Risk Factors</i>).</p>
<b>Subordination</b>	<p>The right to payment of interest and principal on the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, if any, will be subordinated and may be limited as more fully described in the section 4.1 (<i>Terms and Conditions of the Notes</i>).</p>
<b>Retention and Information Undertaking</b>	<p>In respect of each issue under the Programme, ABN AMRO Bank shall undertake to the Issuer, the Security Trustee and the Managers that, for as long as the Notes are outstanding, it will at all times retain a material net economic interest which shall in any event not be less than 5%, in accordance with the CRD. See section 4.7 (<i>Regulatory and Industry Compliance</i>) for more details.</p>

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

This Base Prospectus and any documents incorporated by reference in this Base Prospectus are available for viewing on the website of ABN AMRO Bank N.V. at <http://www.abnamro.com/nl/investor-relations/debt-investors/securitisations/residential-mortgages/dolphin/index.html>, where copies of this Base Prospectus and such documents may also be obtained free of charge.

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

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

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

The date of this Base Prospectus is 13 December 2012.

Arranger  
ABN AMRO Bank N.V.

## IMPORTANT INFORMATION AND RESPONSIBILITY STATEMENTS

The Issuer accepts responsibility for the information contained in this Base Prospectus. To the best of its knowledge (having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. Any information from third-parties identified in this Base Prospectus as such has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by a third party, does not omit any facts which would render the reproduced information inaccurate or misleading. The Issuer accepts responsibility accordingly.

The Sellers are also responsible for the information contained in the following sections of this Base Prospectus: *Retention and disclosure requirements under the Capital Requirements Directive* in section 1.4 (*Notes*), section 3.4 (*Sellers*), section 4.7 (*Regulatory and industry compliance*), section 6.1 (*Description of Mortgage Loans*), section 6.2 (*Origination and servicing by Sellers*) and section 6.3 (*Dutch residential mortgage market*). To the best of its knowledge (having taken all reasonable care to ensure that such is the case) each Seller represents that the information contained in these paragraphs is in accordance with the facts and does not omit anything likely to affect its import. Any information from third-parties identified in these paragraphs as such has been accurately reproduced and, as far as the Seller is aware and is able to ascertain from information published by that third-party, does not omit any facts which would render the reproduced information inaccurate or misleading. Each Seller accepts responsibility accordingly.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to the Notes will be set forth in the Applicable Final Terms which, with respect to Notes to be admitted to listing and trading on Euronext Amsterdam, will be filed with the AFM and delivered to Euronext Amsterdam on or before the date of each issue of Notes.

This Base Prospectus should be read and construed with any supplement hereto and with any other document or information incorporated by reference herein (if any) and, in respect of the Notes, must be read and construed together with the Applicable Final Terms.

If the terms of the Programme are modified or amended in a manner which would make this Base Prospectus, as supplemented, inaccurate or misleading, a new Base Prospectus or a supplement will be prepared.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger or any Dealer or Manager.

The Arranger, the Dealers and the Managers have not separately verified the information contained in this Base Prospectus. To the fullest extent permitted by law, none of the Dealers or Managers or the Arranger makes any representation, express or implied, or accepts any responsibility for the contents of this Base Prospectus or for any other statement, made or purported to be made by the Arranger or a Dealer or Manager or on its behalf in connection with the Issuer, the Seller, or the issue and offering of the Notes. The Arranger and each Dealer and Manager accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Base Prospectus or any such statement.

Neither this Base Prospectus nor any other information supplied in connection with the Programme should be considered as a recommendation by the Issuer, the Arranger or any Dealer or Manager that any recipient of this Base Prospectus or any other information supplied in connection with the Programme should purchase any Notes. Each investor contemplating purchasing any Notes should determine for itself the relevance of the information contained in this Base Prospectus and make its own independent investigation of the financial condition and affairs and its own appraisal of the creditworthiness of the Issuer and the Mortgage Receivables. Neither this Base Prospectus nor any

other information supplied in connection with the Programme constitutes an offer or invitation by or on behalf of the Issuer, the Arranger or any Dealer or Manager to any person to subscribe for or to purchase any Notes. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of the Issuer or the Seller during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers, Managers or the Arranger.

The distribution of this Base Prospectus and the offering, sale and delivery of the Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Base Prospectus or any Notes comes must inform themselves about, and observe, any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on distribution of this Base Prospectus and other offering material relating to the Notes, see *Subscription and Sale* below.

The Notes have not been and will not be registered under the Securities Act and may include Notes in bearer form that are subject to United States tax law requirements. The Notes may not be offered, sold or delivered within the United States or to United States persons as defined in Regulation S under the Securities Act, except in certain transactions permitted by the Securities Act and, where applicable, by U.S. tax regulations. See *United States Taxation* and *Subscription and Sale* below.

In respect of the issue of a Series and Class or Sub-class, entities appointed to act as "managers" in respect of such Series and Class, or Sub-class and defined as such in the Applicable Final Terms will be referred to in this Base Prospectus as "Manager" or "Managers".

In connection with each issue of Notes, a stabilising manager (each, a "**Stabilising Manager**") may be appointed. If a Stabilising Manager is appointed, the relevant Stabilising Manager will be set out in the Applicable Final Terms. The Stabilising Manager or any duly appointed person acting for the Stabilising Manager may over-allot (provided that the aggregate Principal Amount Outstanding of the relevant Series of Notes allotted does not exceed 105 per cent. of the aggregate Principal Amount Outstanding of the relevant Series of Notes) or effect transactions with a view to supporting the market price of the relevant Series of Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Series of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of thirty (30) days after the Issue Date and sixty (60) days after the date of the allotment of the relevant Series of Notes. Stabilisation transactions shall be conducted in accordance with all applicable laws and regulations as amended from time to time.

In this Base Prospectus, references to "U.S.\$", "U.S. Dollars", "USD" or "\$" are references to the lawful currency of the United States, references to "euro", "EUR" or "€" are references to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of May 3, 1998 on the introduction of the euro, as amended, references to "Japanese Yen", "JPY" or "¥" are references to the lawful currency of Japan, references to "Pound Sterling", "GBP" or "£" are references to the lawful currency of the United Kingdom.

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# 1. TRANSACTION OVERVIEW

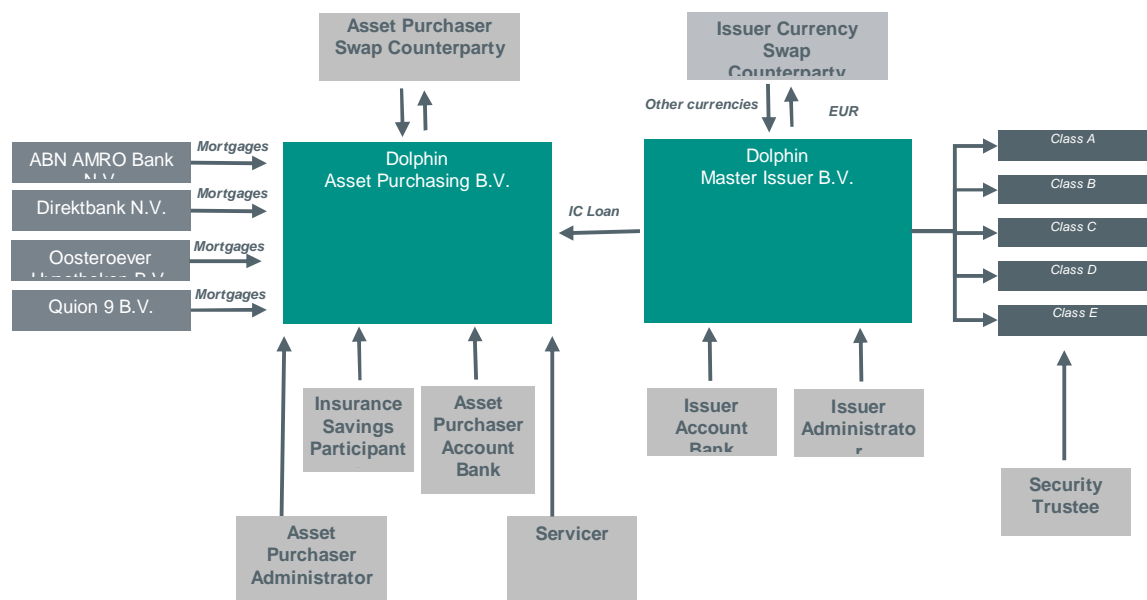
*This overview must be read as an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of the Base Prospectus as a whole, including any supplement thereto. Civil liability will only attach to the Issuer, if the overview is misleading, inaccurate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

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

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

## 1.1 Structure diagram

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





## 1.2 Risk factors

There are certain factors which may affect the ability of the Issuer to fulfil its obligations under the Notes issued under the Programme. Prospective Noteholders should take into account 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, *inter alia*, of funds from the Asset Purchaser under the IC Loans, which receipt will be dependent on the receipt by the Asset Purchaser of funds under the Mortgage Receivables, the proceeds of the sale of any Mortgage Receivables and the receipt by it of amounts due from its counterparties. Also, the Issuer has a risk that its counterparties will not perform their obligations, which may result in the Issuer not being able to meet its obligations. In addition, there are risks involved in investing in the Notes. Despite certain facilities on the level of the Issuer and the Asset Purchaser, there remains a credit risk, liquidity risk, prepayment risk, maturity risk, interest rate risk and, potentially, currency risk, relating to the Notes. Moreover, there are certain structural and legal risks relating to the Mortgage Receivables (see section 2 (*Risk Factors*)).

### 1.3 Principal parties

<b>Issuer:</b>	Dolphin Master Issuer B.V., incorporated under Dutch law as a private company with limited liability (" <i>besloten vennootschap met beperkte aansprakelijkheid</i> "), having its corporate seat in Amsterdam, the Netherlands.
<b>Asset Purchaser:</b>	Dolphin Asset Purchasing B.V., incorporated under Dutch law as a private company with limited liability (" <i>besloten vennootschap met beperkte aansprakelijkheid</i> "), having its corporate seat in Amsterdam, the Netherlands.
<b>Shareholder:</b>	Stichting Holding Dolphin, organised under Dutch law as a foundation (" <i>stichting</i> ") and established in Amsterdam, the Netherlands.
<b>Security Trustee:</b>	Stichting Security Trustee Dolphin, organised under Dutch law as a foundation (" <i>stichting</i> ") and established in Amsterdam, the Netherlands.
<b>Sellers:</b>	<p>ABN AMRO Bank N.V., incorporated under Dutch law as a public company ("<i>naamloze vennootschap</i>"), having its corporate seat in Amsterdam, the Netherlands.</p> <p>Direktbank N.V. incorporated under Dutch law as a public company ("<i>naamloze vennootschap</i>"), having its corporate seat in Amsterdam, the Netherlands.</p> <p>Oosteroever Hypotheken B.V., incorporated under Dutch law as a private company with limited liability ("<i>besloten vennootschap met beperkte aansprakelijkheid</i>"), having its corporate seat in Rotterdam, the Netherlands.</p> <p>Quion 9 B.V., incorporated under Dutch law as a private company with limited liability ("<i>besloten vennootschap met beperkte aansprakelijkheid</i>"), having its corporate seat in Rotterdam, the Netherlands.</p>
<b>Servicer:</b>	ABN AMRO Hypotheken Groep B.V., incorporated under Dutch law as a private company with limited liability (" <i>besloten vennootschap met beperkte aansprakelijkheid</i> "), having its corporate seat in Amersfoort, the Netherlands.
<b>Asset Purchaser Administrator:</b>	ABN AMRO Hypotheken Groep B.V.
<b>Asset Purchaser Swap Counterparty:</b>	ABN AMRO Bank N.V.
<b>Asset Purchaser Account Bank:</b>	ABN AMRO Bank N.V.
<b>Insurance Savings Participants:</b>	(i) ASR Levensverzekering N.V. in respect of Savings Mortgage Receivables and Hybrid Mortgage Receivables to which a Savings Insurance Policy or a Savings Investment Insurance Policy is connected with ASR Levensverzekering

	N.V. and (ii) in respect of all other Savings Mortgage Receivables and Hybrid Mortgage Receivables, the relevant Seller which has sold the relevant Savings Mortgage Receivable or Hybrid Savings Mortgage Receivables, as applicable.
<b>Bank Savings Participants:</b>	ABN AMRO Bank N.V. in respect of Bank Savings Mortgage Loans sold and assigned by ABN AMRO Bank N.V. and Direktbank N.V. in respect of Bank Savings Mortgage Loans sold and assigned by Direktbank N.V.
<b>Issuer Administrator:</b>	ABN AMRO Hypotheken Groep B.V.
<b>Issuer Currency Swap Counterparty:</b>	The relevant issuer currency swap counterparty as set out in the Applicable Final Terms.
<b>Issuer Account Bank:</b>	ABN AMRO Bank N.V.
<b>Directors:</b>	ATC Management B.V., the sole director of the Issuer, the Asset Purchaser and the Shareholder and Amsterdamsch Trustee's Kantoor B.V., the sole director of the Security Trustee, both incorporated under Dutch law as a private company with limited liability (" <i>besloten vennootschap met beperkte aansprakelijkheid</i> "), having its corporate seat in Amsterdam, the Netherlands.
<b>Principal Paying Agent:</b>	BNP Paribas Securities Services, Luxembourg Branch, being the branch in Luxembourg of a <i>société en commandite par actions</i> (S.C.A.) incorporated under the laws of France, in respect of Notes deposited with a Common Safekeeper or Common Depositary for Euroclear and Clearstream, Luxembourg only. If no Principal Paying Agent is appointed the Paying Agent will perform the duties of the Principal Paying Agent set out herein.
<b>Paying Agent:</b>	ABN AMRO Bank N.V.
<b>Reference Agent:</b>	ABN AMRO Bank N.V.
<b>Listing Agent:</b>	ABN AMRO Bank N.V.
<b>Arranger:</b>	ABN AMRO Bank N.V.
<b>403-Guarantor:</b>	ABN AMRO Bank N.V. in respect of debts resulting from legal acts of Direktbank N.V., Oosteroever Hypotheken B.V. and Quion 9 B.V. and ABN AMRO Group N.V. in respect of debts resulting from legal acts of ABN AMRO Bank N.V., ABN AMRO Hypotheken Groep B.V., Direktbank N.V., Oosteroever Hypotheken B.V. and Quion 9 B.V.

## 1.4 Notes

<b>Programme Size:</b>	Up to € 100,000,000,000 of Notes outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
<b>Series, Classes and Sub-classes:</b>	<p>The Notes will be issued in Series. Each Series may comprise one or more of the following Classes: Class A Notes, Class B Notes, Class C Notes, Class D Notes and Class E Notes issued on a single date (with the exception noted below). Each Series and Class may have two or more Sub-classes. A Class designation determines the relative seniority for receipt of cashflows.</p> <p>The Notes of a particular Class or Sub-class in different Series will not necessarily have all the same terms. Differences may include principal amount, interest rate, interest rate calculations, First Optional Redemption Dates and/or Final Maturity Dates.</p> <p>References in this Base Prospectus to a 'Series' of Notes refer to all Classes of Notes issued on a given day which are expressed to be the same Series in the Applicable Final Terms and any Class of Notes issued on any other day which:</p> <ul style="list-style-type: none"><li>(a) is expressed to be consolidated; and</li><li>(b) is identical in all respects except for the Issue Date, interest commencement date and issue price, with the same Class of Notes issued on such given day.</li></ul> <p>References in this Base Prospectus to a 'Series and Class' of Notes refer to a particular Class of Notes of a given Series.</p>
<b>Issuance Test:</b>	For each issuance of Notes certain conditions and tests will have to be fulfilled. Generally speaking, the available subordination for each Class of Notes to be issued should be equal to or greater than the required level of subordination for such Class of Notes. See section 4.4 ( <i>Issuance Test</i> ).
<b>Denomination:</b>	All Notes will be issued in such denominations as set forth in the Applicable Final Terms, save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank or regulatory authority (or equivalent body) or any laws or regulations applicable to the Specified Currency and save that the minimum denomination of each Note will be € 100,000 (or if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).
<b>Currencies:</b>	Subject to any applicable legal or regulatory restrictions, the Notes may be issued in euros or in other currencies as may be agreed between the Issuer and the relevant Dealer(s) or Manager(s) involved in the issue (as set out in the Applicable Final Terms).

**Issue Price:** Notes will be issued at an issue price which is set out in the Applicable Final Terms.

**Form:** Each Series and Class of Notes, or if such Series and Class has Sub-classes of Notes, all of the Notes of a Sub-class, will (unless otherwise specified in the Applicable Final Terms) initially be represented by a Global Note which is expected to be deposited on the relevant Issue Date thereof either (a) if the Notes are intended to be issued in the NGN form, as stated in the Applicable Final Terms, with a common safekeeper for Euroclear and Clearstream Banking, or (b) if the Notes are not intended to be issued in NGN form with (i) a common depository on behalf of Euroclear and Clearstream, Luxembourg or (ii) Euroclear Netherlands or (iii) a depository for another agreed clearing system.

**Status of the Notes:** The Notes of each Class rank *pari passu* among Notes of the same Class.

**Ranking of the Notes:** Payments of principal and interest on the Class A Notes of any Series due and payable on a Notes Payment Date will rank ahead of payments of interest and principal on the Class B Notes of any Series, the Class C Notes of any Series, the Class D Notes of any Series and the Class E Notes of any Series (in each case, due and payable on such Notes Payment Date). Payments of interest and principal on the Class B Notes of any Series due and payable on a Notes Payment Date will rank ahead of payments of interest and principal on the Class C Notes of any Series, the Class D Notes of any Series and the Class E Notes of any Series. Payments of interest and principal on the Class C Notes of any Series due and payable on a Notes Payment Date will rank ahead of payments of interest and principal on the Class D Notes of any Series and the Class E Notes of any Series. Payments of interest and principal on the Class D Notes of any Series due and payable on a Notes Payment Date will rank ahead of payments of interest and principal on the Class E Notes of any Series.

See further section 4.1 (*Terms and Conditions of the Notes*).

**Credit Ratings on the Notes:** It is expected that for each issue of a Series of Notes, that the Notes, on issue, be assigned at least the following credit ratings by each of the Credit Rating Agencies:

	<u>S&amp;P</u>	<u>DBRS</u>	<u>Moody's</u>
Class A	<b>AAA (sf)</b>	<b>AAA (sf)</b>	<b>Aaa (sf)</b>
Class B	<b>AA (sf)</b>	<b>AA (sf)</b>	<b>Aa3 (sf)</b>
Class C	<b>A (sf)</b>	<b>A (sf)</b>	<b>A2 (sf)</b>
Class D	<b>NR</b>	<b>BBB (sf)</b>	<b>Baa2 (sf)</b>

The Class E Notes will not be rated.

The Credit Rating Agencies are registered as credit rating agencies under the CRA Regulation.

**Interest:**

Each Note will accrue interest from its date of issuance at the applicable rate specified for that Series and Class, or Sub-class, which may be fixed or floating as specified in the Applicable Final Terms.

Interest on the Notes of a Series and Class will be payable on each Notes Payment Date.

**Floating Rate Notes:**

Unless otherwise provided in the Applicable Final Terms:

- (i) Floating Rate Notes denominated in euros will bear interest at an annual rate equal to the sum of Euribor for three-months deposits in euro, plus a margin as specified in the Applicable Final Terms.
- (ii) Floating Rate Notes denominated in U.S. Dollars will bear interest at an annual rate equal to the sum of Dollar-Libor for three-months deposits in U.S. Dollars, plus a margin as specified in the Applicable Final Terms.
- (iii) Floating Rate Notes denominated in Japanese Yen will bear interest at an annual rate equal to the sum of JPY Libor for three-months deposits in Japanese Yen, plus a margin as specified in the Applicable Final Terms.
- (iv) Floating Rate Notes denominated in Pound Sterling will bear interest at an annual rate equal to the sum of Libor for three-months deposits in Pound Sterling, plus a margin as specified in the Applicable Final Terms.

Interest will be payable by reference to successive interest periods on such Notes Payment Dates as specified in the Applicable Final Terms.

**Fixed Rate Notes:**

Unless otherwise provided in the Applicable Final Terms, the Fixed Rate Notes will be payable on Notes Payment Dates as specified in the Applicable Final Terms and will be calculated on the basis of the day-count fraction as specified in the Conditions.

**Interest Switch/Step-Up:**

If on the First Optional Redemption Date the Notes of a Series and Class or Sub-class, as the case may be, have not been redeemed in full (i) in the case of Floating Rate Notes the applicable margin will increase as specified in the Applicable Final Terms and (ii) in the case of Fixed Rate Notes the interest will switch to a floating rate of interest plus a margin as set out in the Applicable Final Terms, except if the Issuer duly and timely notifies the Noteholders in accordance with Condition 4(l)(d) or (4)(ll)(d), as applicable, of the redemption of the relevant Series and Class, or Sub-class of Notes on the Notes Payment Date immediately succeeding the First Optional Redemption Date.

<b>Repayment Test:</b>	Repayment of principal on the Subordinated Notes of any Class is subject to fulfilment of, <i>inter alia</i> , the Repayment Test. Generally speaking, the Repayment Test provides that the Issuer may only repay a Series and Class or Sub-class of Notes if sufficient subordination is provided for the remaining Series and Classes of Notes by one or more lower ranking Classes of Notes. See section 4.5. ( <i>Repayment Test</i> ) below.
<b>Pass-through Notes:</b>	On each Notes Payment Date the Issuer will be obliged to apply the funds available for this purpose towards (partial) redemption of Pass-through Notes prior to their respective Final Maturity Dates (i) if the Pro-rata Condition is satisfied, on a pro-rata basis and (ii) if the Pro-rata Condition is not satisfied, on a sequential basis.
<b>Soft-bullet Notes:</b>	A Soft-bullet Note will not be redeemable up to the relevant First Optional Redemption Date specified in the Applicable Final Terms, except in certain circumstances as described in the Conditions and the Applicable Final Terms. On the relevant First Optional Redemption Date and on each Notes Payment Date thereafter, the Issuer has the option to redeem the relevant Series and Class or Sub-class of Notes, subject to the Repayment Test. Following the First Optional Redemption Date in relation to a Series and Class or Sub-class of Notes, all Soft-bullet Notes of such Series and Class or Sub-class, will switch to Pass-through Notes and will be subject to mandatory (partial) redemption. In the case of a Trigger Event occurring, all Soft-bullet Notes will switch to Pass-through Notes and will be subject to mandatory (partial) redemption on a sequential basis.
<b>Redemption of Class E Notes:</b>	On the First Optional Redemption Date of each Series and Class or Sub-class of Class E Notes and on each Notes Payment Date thereafter, the Issuer has the right to redeem the Class E Notes of the relevant Series and Class or Sub-class of Notes, subject to the Repayment Test.
<b>Notes Clean-up Call Option:</b>	The Issuer will have the option to redeem all, but not some only, of the Notes (other than the Class E Notes) of a Series and Class, or, if applicable, Sub-class at their aggregate Principal Amount Outstanding (subject to and in accordance with (i) Condition 6(e) and 9(b) and (ii) the Repayment Test), on each Notes Payment Date on which the aggregate Principal Amount Outstanding of such Notes is less than 10 per cent. of the aggregate Principal Amount Outstanding of such Notes as at the Issue Date of such Notes.
<b>Programme Clean-up Call Option:</b>	The Issuer will have the option to redeem all of the Notes, but not some only, at their aggregate Principal Amount Outstanding (subject to and in accordance with Condition 6(f) and 9(b)), if the percentage of the Principal Amount Outstanding of all Mortgage Receivables falls below 10 per cent. of the highest Outstanding Principal Amount of all Mortgage Receivables reached since the Programme Signing Date.
<b>Regulatory Call Option:</b>	The Issuer will have the option to redeem the Notes in

whole, but not in part, on any Notes Payment Date at their Principal Amount Outstanding, subject to and in accordance with condition 6(i) and 9(b), if any of the Sellers exercises its option to repurchase the Relevant Mortgage Receivables from the Asset Purchaser upon the occurrence of a Regulatory Change relating to such Seller.

The Asset Purchaser has undertaken in the Asset Purchaser Mortgage Receivables Purchase Agreement to sell and assign the Relevant Mortgage Receivables to the relevant Seller, or any third party appointed by the relevant Seller at its sole discretion, in case such Seller exercises the Regulatory Call Option.

**Tax Call Option:**

The Issuer will have the option to redeem the Notes in whole, but not in part, at their Principal Amount Outstanding, subject to and in accordance with Condition 6(h) and 9(b), or any Notes Payment Date if, immediately prior to giving notice of the exercise of the option, the Issuer has satisfied the Security Trustee that (a) if the Issuer is or will be obliged to make any withholding or deduction for, or on account of, any taxes, duties or charges of whatsoever nature from payments in respect of any Class of Notes as a result of any change in, or amendment to, the laws or regulations of the Netherlands (including any guidelines issued by the tax authorities) or any other jurisdiction or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which becomes effective on or after the relevant Issue Date and such obligation cannot be avoided by the Issuer taking reasonable measures available to it (b) the Issuer will have sufficient funds available as determined the Notes Calculation Date immediately preceding such Notes Payment Date to discharge all amounts of principal (subject to Condition 9(b)) and interest due in respect of the Notes and any amounts required to be paid in priority or *pari passu* with each Class of Notes in accordance with the Issuer Trust Deed.

**Purchase of Notes:**

The Issuer may purchase Notes that are offered to it on any date, prior to (i) the occurrence of a Trigger Event which is continuing or (ii) the delivery of any Enforcement Notice and provided that the Issuer has sufficient funds available for such purpose in accordance with the Issuer Trust Deed. In the case of purchase of Class B Notes, Class C Notes, Class D Notes and Class E Notes the Repayment Test will apply *mutatis mutandis*. Any Class A Notes may, at the option of the Issuer be held, re-issued or resold at their Principal Amount Outstanding together with accrued interest thereon subject to and in accordance with the Conditions, or may be surrendered to any of the Paying Agents for cancellation in accordance with the Paying Agency Agreement. Any Class B Notes, Class C Notes, Class D Notes or Class E Notes so purchased should be surrendered to any of the Paying Agents for cancellation in accordance with the Paying Agency Agreement.



**Method of Payment:**

For as long as the Notes are represented by a Global Note, payments of principal and interest will be made (i) by giro transfer in the Specified Currency to Euroclear Netherlands or (ii) as the case may be, in the Specified Currency to the Principal Paying Agent for the credit of the respective accounts of the Noteholders through Euroclear and Clearstream, Luxembourg or (iii) as the case may be, in accordance with the rules of another agreed clearing system.

**Use of proceeds:**

The Issuer will use the net proceeds from the issue of the Notes, other than the Class E Notes, (i) to provide the Asset Purchaser with an IC Loan, (ii) to redeem other Notes, (iii) to purchase other Notes or (iv) to credit such amount to the Issuer Pre-Funded Account. The Asset Purchaser will use the net proceeds from each IC Loan to pay to the relevant Seller (part of) the Initial Purchase Price for the purchase of Mortgage Receivables pursuant to the Asset Purchaser Mortgage Receivables Purchase Agreement from time to time. The Issuer will credit the net proceeds from the Class E Notes to the Unreserved Ledger of the Issuer Reserve Account.

**Security for the Notes:**

The Notes will be secured (i) by a first ranking right of pledge to the Security Trustee by the Asset Purchaser over the Mortgage Receivables and the Beneficiary Rights relating thereto, (ii) by a first ranking right of pledge to the Security Trustee by the Asset Purchaser over the Asset Purchaser Rights and (iii) by a first ranking right of pledge to the Security Trustee by the Issuer over the Issuer Rights.

The amount payable to the Noteholders and to the Programme Secured Parties will be limited to the amounts available for such purpose to the Security Trustee which, *inter alia*, will consist of amounts recovered by the Security Trustee on the Mortgage Receivables, the balance standing to the credit of the Transaction Accounts and other amounts received by the Security Trustee as creditor under the Issuer Parallel Debt and the Asset Purchaser Parallel Debt. Payments to the Programme Secured Parties will be made in accordance with the Priority of Payments upon Enforcement if an Enforcement Notice has been issued.

All Notes issued under the Programme are secured by the entire pool of Mortgage Receivables held by the Asset Purchaser. If new Notes will be issued such Notes will also be secured by the same pool of Mortgage Receivables.

**Retention and disclosure requirements under the CRD:**

In respect of each issue of Notes under the Programme, ABN AMRO Bank N.V. (i) in its capacity as Seller, and (ii) with respect to Direktbank N.V., Oosteroever Hypotheken B.V. and Quion 9 B.V., in its capacity as allowed entity under paragraph 2 of article 122a of the CRD, shall, or undertakes that any entity designated by ABN AMRO Bank N.V. as allowed entity under paragraph 2 of article 122a of the CRD shall, retain, on an ongoing basis, a material net economic interest which, in any event, shall not be less than 5% in accordance with article 122a of the CRD. At the date

of this Base Prospectus such interest is retained in accordance with item (a) of article 122a paragraph 1 of the CRD, by holding at least 5% of the Notes of each tranche (i.e. Class) issued under the Programme. In addition, each Seller shall (i) adhere to the requirements set out in paragraph 6 of article 122a of the CRD and (ii) make appropriate disclosures to Noteholders about the retained net economic interest in the Programme and ensure that the Noteholders have readily available access to all materially relevant data as required under paragraph 7 of article 122a of the CRD.

In each Notes Purchase Agreement, each Seller shall undertake to the Dealers or the Managers involved in the issue and the Issuer that it shall at all times comply with article 122a of the CRD.

The Sellers accept responsibility for the information set out in this paragraph.

**Withholding tax:**

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

**Listing:**

Application may be made for Notes issued under the Programme to be admitted to trading and listing on Euronext Amsterdam during the period of twelve (12) months from the date of this Base Prospectus. Notice of certain terms and conditions not contained herein of such Series of Notes will be set out in the Applicable Final Terms which, with respect to such Series of Notes to be listed on Euronext Amsterdam, will be delivered to Euronext Amsterdam and be filed with the AFM on or before the date of issue of such Series of Notes. Notes issued under the Programme may also be listed on any other stock exchange specified in the Applicable Final Terms.

**Governing Law:**

The Notes will be governed by and construed in accordance with Dutch law.

**Selling Restrictions:**

There are selling restrictions in relation to the European Economic Area, Italy, France, the United Kingdom, Japan

and the United States and such other restrictions as may be required in connection with the offering and sale of a particular Series of Notes. See section 4.6 (*Subscription and Sale*).

## 1.5 Credit structure

### A. ISSUER

**Issuer Available Revenue Funds:** The Issuer will use (a) receipts of interest and costs in respect of the IC Loans, (b) amounts drawn from the Issuer Reserve Account, (c) amounts received as interest from any Issuer Currency Swap Counterparty and (d) amounts received as interest from the Issuer Account Bank, to make payments of, *inter alia*, interest, due in respect of the Notes.

**Issuer Available Principal Funds:** The Issuer will use (a) receipts of principal in respect of the IC Loans, (b) amounts drawn from the Issuer Reserve Account, (c) amounts received as principal from any Issuer Currency Swap Counterparty, (d) (in certain events) amounts drawn from the Issuer Pre-Funded Account and (e) the net proceeds from the issue of any Notes (other than the Class E Notes) less, *inter alia*, amounts applied towards the granting of IC Loans or the purchase of Notes, to make payments of principal due in respect of the Notes.

**Issuer Revenue Priority of Payments:** The obligations of the Issuer in respect of the payment of interest on the Notes will rank subordinated to the obligation of the Issuer to pay the Issuer Expenses and amounts due under any Issuer Currency Swap Agreement as set forth in the Issuer Revenue Priority of Payments (see section 5 (*Credit Structure*)). The right to payment of interest on the Subordinated Notes will be subordinated to the right to payment of interest on the Class A Notes and limited as described in section 5 (*Credit Structure*) and section 4.1 (*Terms and Conditions of the Notes*).

**Issuer Redemption Priority of Payments:** The right to payment of principal on the Subordinated Notes will be subordinated to the right to payment of principal on the Class A Notes and limited as described in section 5 (*Credit Structure*) and section 4.1 (*Terms and Conditions of the Notes*).

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

- (i) the Issuer Collection Account, to which all amounts received (a) in respect of the IC Loans and (b) under the Issuer Transaction Documents (to the extent applicable) will be credited;
- (ii) the Issuer Pre-Funded Account, to which any part of the net proceeds of the issue of the Notes (other than the Class E Notes) which has not been used to grant IC Loans, to redeem other Notes or to purchase other Notes, will be credited;
- (iii) the Issuer Reserve Account, to which the net proceeds of each issue of Class E Notes will be credited.

**Issuer Account Agreement:** The Issuer, the Security Trustee and the Issuer Account Bank have entered into an Issuer Account Agreement, under which the Issuer Account Bank has agreed to pay a rate of interest on the balance standing to the credit of the Issuer Accounts from time to time determined by reference to

EONIA.

**Issuer Currency Swap Agreements:**

Pursuant to the Issuer Currency Swap Undertaking Letter the Issuer undertakes to enter into an Issuer Currency Swap Agreement with an Issuer Currency Swap Counterparty to hedge certain risks resulting from variations in the exchange rate of the euro vis-à-vis other currencies in which the Notes may be denominated and, where applicable, the interest rate risk on such Notes.

**Issuer Administration Agreement:**

Under the terms of the Issuer Administration Agreement the Issuer Administrator has agreed to provide certain administration, calculation and risk management services for the Issuer on a day-to-day basis.

**IC Loan Agreement:**

Under the IC Loan Agreement the Asset Purchaser may draw IC Loans on any date following a request for a drawing and the Issuer shall be obliged to grant such IC Loans on such date subject to certain conditions being met. The Asset Purchaser will use the net proceeds from the IC Loan, together with the Initial Savings Participation (if any) and any Asset Purchaser Principal Receipts, to pay to the relevant Seller the Initial Purchase Price for the purchase of the Relevant New Mortgage Receivables and Relevant Further Advance Mortgage Receivables pursuant to the Asset Purchaser Mortgage Receivables Purchase Agreement from time to time.

**Interest on the IC Loans:**

Interest will accrue on each IC Loan determined by reference to the interest due by the Issuer under the Notes on a Notes Payment Date. See section 5.7 (*IC Loan Agreement*).

**IC Loan Costs:**

Under the IC Loan Agreement the Asset Purchaser shall pay to the Issuer the IC Loan Costs.

**Repayment of Principal:**

On each Monthly Payment Date prior to a Trigger Event or the delivery of an Enforcement Notice or Asset Purchaser Enforcement Notice, the Asset Purchaser is obliged to pay all principal receipts received by it on the Mortgage Receivables to the Issuer as repayment of principal under the IC Loans up to the Asset Purchaser Pass-through Payable Amount calculated in respect of the preceding Mortgage Calculation Period. Furthermore, the Asset Purchaser will undertake its best efforts to repay such amounts as are required by the Issuer to redeem one or more Series and Class or Sub-class of Notes on a Notes Payment Date in certain events, including the exercise by the Issuer of its call option on the First Optional Redemption Date relating to a Series and Class or Sub-class of Notes. After the occurrence of a Trigger Event, the Notes will be redeemed on a sequential basis starting with the Class A Notes.

**Subordinated Loan:**

On each Notes Payment Date on which the amounts credited to the Reserved Ledger of the Reserve Account exceed the lower of (i) the Class D Required Subordinated Amount and (ii) the Principal Amount Outstanding of all Class E Notes, the Issuer will advance the Subordinated

Loan Minimum Amount to the Asset Purchaser as Subordinated Loan. Each Subordinated Loan will be credited to the IC Loan Principal Deficiency Ledger and will form part of the Asset Purchaser Available Principal Funds on such date. See section 5.7 (*IC Loan Agreement*).

## **B. ASSET PURCHASER**

### **Asset Purchaser Available Revenue Funds:**

The Asset Purchaser will use (a) receipts of interest in respect of the Mortgage Receivables, (b) amounts received under the Asset Purchaser Swap Agreement and (c) amounts received from the Asset Purchaser Account Bank, to make payments of, *inter alia*, interest due in respect of the IC Loans.

### **Asset Purchaser Available Principal Funds:**

The Asset Purchaser will use (a) receipts of principal under the Mortgage Receivables, (b) amounts received under the Asset Purchaser Participation Agreements, (c) amounts received from the Asset Purchaser Account Bank and (d) the net proceeds from an IC Loan, less, amounts applied towards the purchase of New Mortgage Receivables and Further Advance Receivables on Mortgage Collection Payment Dates, to make, *inter alia*, payments of principal due in respect of the IC Loans.

### **Asset Purchaser Revenue Priority of Payments:**

The obligations of the Asset Purchaser in respect of the IC Loans will rank subordinated to the obligations of the Asset Purchaser to pay the Asset Purchaser Expenses and amounts due under the Asset Purchaser Swap Agreement as set forth in the applicable Asset Purchaser Revenue Priority of Payments. See section 5 (*Credit Structure*).

### **Asset Purchaser Pre-Trigger Event Redemption Priority of Payments:**

The right to payment of principal on the IC Loans will rank senior up to the Asset Purchaser Pass-through Payable Amount to other payment obligations, including the amounts payable towards the purchase of New Mortgage Receivables and Further Advance Receivables (other than amounts applied towards such purchase by mean of set-off).

### **Asset Purchaser Swap Agreement:**

The Issuer has entered into the Asset Purchaser Swap Agreement with the Asset Purchaser Swap Counterparty and the Security Trustee to hedge the risk of an adverse variation between the interest received by the Asset Purchaser on the Mortgage Receivables and the Asset Purchaser Accounts and the interest payable on the IC Loans. See section 5.4 (*Hedging*).

### **Asset Purchaser Accounts:**

The Asset Purchaser shall maintain with the Asset Purchaser Account Bank the following accounts:

- (i) the Asset Purchaser Collection Account to which all amounts received (a) in respect of the Mortgage Receivables and (b) under the Asset Purchaser Transaction Documents (to the extent applicable) will be credited;
- (ii) the Asset Purchaser Construction Deposit Account to which on each Mortgage Purchase Date an amount corresponding to the aggregate Asset Purchaser Construction Deposits will be credited.

**Asset Purchaser Account Agreement:**

The Asset Purchaser, the Security Trustee and the Asset Purchaser Account Bank have entered into an Asset Purchaser Account Agreement, under which the Asset Purchaser Account Bank has agreed to pay a rate of interest on the balance standing to the credit of the Asset Purchaser Accounts from time to time determined by reference to EONIA.

**Asset Purchaser Administration Agreement:**

Under the terms of the Asset Purchaser Administration Agreement between the Asset Purchaser, the Asset Purchaser Administrator and the Security Trustee, the Asset Purchaser undertakes to perform certain administration, calculation and cash management services for the Asset Purchaser on a day-to-day basis.

## 1.6 Portfolio information

### Mortgage Loans:

The Mortgage Receivables, which will be sold by the relevant Seller pursuant to the Asset Purchaser Mortgage Receivables Purchase Agreement, will relate to the Mortgage Loans. The Mortgage Loans shall, after any purchase and assignment of New Mortgage Receivables and Further Advance Receivables having taken place, be the loans entered into by the relevant Seller or Originator and the relevant Borrowers set out in the relevant Deed of Sale, Assignment and Pledge to the extent the Mortgage Receivables are not redeemed, repurchased, sold or otherwise disposed of by the Asset Purchaser. In order to be eligible to be sold to the Asset Purchaser the Mortgage Loans should be secured by Mortgaged Assets situated in the Netherlands and should meet the Mortgage Loan Criteria and the other criteria set forth in the Asset Purchaser Mortgage Receivables Purchase Agreement.

The Mortgage Loans consist of the following types: (i) Annuity Mortgage Loans ("*annuïteiten hypotheek*"), (ii) Linear Mortgage Loans ("*lineaire hypotheek*"), (iii) Interest-only Mortgage Loans ("*aflossingsvrije hypotheek*"), (iv) Investment Mortgage Loans ("*beleggingshypotheek*"), (v) Savings Mortgage Loans ("*spaarhypotheek*"), (vi) Revolving Credit Mortgage Loans ("*krediet in rekening-courant*"), (vii) Life Mortgage Loans ("*levenhypotheek*"), which may also be in the form of Hybrid Mortgage Loans ("*hybride hypotheek*") (viii) Bank Savings Mortgage Loans ("*bankspaarhypotheek*") and (ix) combinations of any of these types of Mortgage Loans with a variety of characteristics. See *Description of Mortgage Loans* below for a more detailed description of the Mortgage Receivables sold by each Seller to the Asset Purchaser.

The Mortgage Loans may consist of one or more loan-parts ("*leningdelen*"). If a Mortgage Loan consists of more than one loan part, the relevant Seller shall sell and assign and the Asset Purchaser shall purchase and accept the assignment of all, but not some, loan parts of such Mortgage Loan at the relevant Mortgage Purchase Date.

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

### Savings Mortgage Loans and Hybrid Mortgage Loans:

A portion of the Mortgage Loans will be in the form of Savings Mortgage Loans and Hybrid Mortgage Loans entered into by the relevant Seller and the relevant Borrowers, combined with a Savings Insurance Policy or Savings Investment Insurance Policies with an Insurance Savings Participant or Insurance Company, as applicable. A Savings Insurance Policy or Savings Investment Insurance Policy is a combined risk and capital insurance policy taken out by the relevant Borrower with an Insurance Savings



Participant or Insurance Company, as applicable, in connection with the relevant Savings Mortgage Loan or Hybrid Mortgage Loan. Under the Savings Mortgage Loan or Hybrid Mortgage Loan, the Borrower is not required to repay principal prior to maturity of the Savings Mortgage Loan or Hybrid Mortgage Loan. Instead, the Borrower/insured pays Savings Premium on a monthly basis. The Savings Premium is calculated on an annuity basis in such a manner that the proceeds of the Savings Insurance Policy or Savings Investment Insurance Policy due by the Insurance Savings Participant or Insurance Company, as applicable, to the relevant Borrower is equal to the principal amount due by the Borrower to the relevant Seller at maturity of the Savings Mortgage Loan or Hybrid Mortgage Loan. See further section 6.1 (*Description of the Mortgage Loans*) and section 7.7 (*Asset Purchaser Participation Agreements*).

**Hybrid Mortgage Loans:**

A portion of the Mortgage Loans will be in the form of Hybrid Mortgage Loans entered into by the relevant Seller and the relevant Borrowers, under which the Borrower has the option to invest in a savings part of a combined risk and capital policy. A Hybrid Mortgage Loan is a Hybrid Mortgage Loan in which Savings Premium is accumulated or deposited in a savings part of the Savings Investment Insurance Policy connected thereto.

**Bank Savings Mortgage Loans:**

A portion of the Mortgage Loans (or parts thereof) will be in the form of Bank Savings Mortgage Loans ("*bankspaarhypotheken*") which consist of Mortgage Loans entered into by the relevant Seller and the relevant Borrower combined with a blocked Bank Savings Account. Under the Bank Savings Mortgage Loan the Borrower is not required to repay principal prior to the maturity of the Bank Savings Mortgage Loan. Instead, the Borrower pays the Monthly Bank Savings Deposit Instalments in the relevant Bank Savings Account. The Bank Savings Deposit is calculated in such a manner that, on an annuity basis, the Bank Savings Deposit is equal to the relevant part of the amount due by the Borrower to the relevant Seller at maturity of the Bank Savings Mortgage Loan. See further section 6.1 (*Description of the Mortgage Loans*) and section 7.6 (*Asset Purchaser Participation Agreements*).

## 1.7 Portfolio documentation

### **Purchase of New Mortgage Receivables:**

Under the Asset Purchaser Mortgage Receivables Purchase Agreement, the relevant Seller may on each Mortgage Purchase Date sell and assign and the Asset Purchaser will purchase and accept the assignment of, to the extent funds are available for this purpose in the Asset Purchaser Purchase Available Amount, Relevant New Mortgage Receivables and the Beneficiary Rights related thereto, subject to the fulfilment of certain conditions. See section 7 (*Portfolio Documentation*).

### **Purchase of Further Advance Receivables:**

The Asset Purchaser Mortgage Receivables Purchase Agreement provides that on each Mortgage Purchase Date the relevant Seller will sell and assign and the Asset Purchaser will purchase and accept the assignment of Relevant Further Advance Receivables resulting from Further Advances granted by such Seller in the preceding Mortgage Calculation Period and the Beneficiary Rights relating thereto, subject to the fulfilment of certain conditions.

### **Repurchase of Mortgage Receivables:**

Under the Asset Purchaser Mortgage Receivables Purchase Agreement, each relevant Seller will be obliged to repurchase and accept re-assignment of the Relevant Mortgage Receivable:

- (i) if any of the representations and warranties given by the relevant Seller in respect of such Relevant Mortgage Receivable or the Relevant Mortgage Loan on its Mortgage Purchase Date is untrue or incorrect, on the Mortgage Collection Payment Date on or immediately following the day on which the relevant remedy period ends, or on the Monthly Payment Date following such Mortgage Collection Payment Date;
- (ii) if the relevant Seller agrees with a Borrower to a Mortgage Loan Amendment on the Mortgage Collection Payment Date on or immediately following the day on which such agreement is made, or on the Monthly Payment Date following such Mortgage Collection Payment Date;
- (iii) if in a Mortgage Calculation Period the relevant Seller agrees with a Borrower to grant a Further Advance and the related Further Advance Receivable is not purchased by the Asset Purchaser on or before the Mortgage Collection Payment Date immediately succeeding such Mortgage Calculation Period, on the Monthly Payment Date following such Mortgage Collection Payment Date;
- (iv) if, in the case of a Hybrid Mortgage Loan, the relevant Seller agrees to a Policy Switch and the Insurance Savings Participation by the relevant Insurance Savings Participant in the Relevant Mortgage Loan has not terminated on the Mortgage Collection Payment Date immediately following the date on which the relevant Seller has agreed to such Policy Switch, on the Mortgage Collection Payment Date following such Policy Switch or on the Monthly

- Payment Date following such Mortgage Collection Payment Date; and
- (v) in respect of a Relevant Mortgage Receivable relating to a Mortgage Loan originated by Quion 9 B.V. only, if (i) the Borrower decides to accept the interest rate offered by another lender and such lender prefers to take over the existing Relevant Mortgage Loan rather than granting a new mortgage loan to such Borrower, on the Mortgage Collection Payment Date following such interest rate reset date of such Mortgage Loan, (ii) the relevant Seller refuses to amend the terms of the Relevant Mortgage Loan upon the request of a Borrower and another lender prefers to take over the existing Relevant Mortgage Loan rather than granting a new mortgage loan to such Borrower, on the Mortgage Collection Payment Date immediately following such refusal or (iii) in a Mortgage Calculation Period a further advance under the Relevant Mortgage Loan is granted by another lender, on the Mortgage Collection Payment Date immediately following such Mortgage Calculation Period.

The purchase price in case of a repurchase by the relevant Seller of Relevant Mortgage Receivables in any of the events described above, will be equal to the Outstanding Principal Amount of the Relevant Mortgage Receivable together with interest and reasonable costs relating thereto (including any costs incurred by the Asset Purchaser in effecting and completing such purchase and assignment) accrued up to but excluding the date of purchase and assignment of the Relevant Mortgage Receivable, except that, in the event of a repurchase as a result of the occurrence of a Mortgage Loan Amendment, the purchase price shall with respect to Defaulted Mortgage Receivables, be at least the lesser of (i) an amount equal to the foreclosure value of the relevant Mortgaged Assets or, if no valuation report of less than twelve (12) months old is available, the Indexed Foreclosure Value thereof and (ii) the sum of the Outstanding Principal Amount together with accrued interest due but not paid, if any, and any other amounts due under the Defaulted Mortgage Receivable.

**Sale of Mortgage Receivables:**

Under the terms of the Asset Purchaser Trust Agreement, the Asset Purchaser will have the right to sell and assign all or part of the Mortgage Receivables on a Notes Payment Date, provided that the Asset Purchaser shall apply the proceeds of such sale (i) to repay principal that is due under the IC Loans or (ii) to repay principal that is not due under the IC Loans, but in respect of which the Asset Purchaser has a best efforts obligation to repay certain amount in order to enable the Issuer to redeem a Series and Class or Sub-class of Notes or all Notes in certain events. If the Asset Purchaser decides to offer for sale (part of) the Mortgage Receivables, it will first offer the Relevant Mortgage Receivables to the relevant Seller. Furthermore, under the terms of the Asset Purchaser Mortgage Receivables Purchase Agreement, the Asset Purchaser shall be obliged

to sell and assign the Relevant Mortgage Receivables to the relevant Seller, or any third party appointed by such Seller at its sole discretion, if such Seller exercises the Regulatory Call Option.

**Asset Purchaser Insurance Savings Participation Agreements:**

Under the Asset Purchaser Insurance Savings Participation Agreements with the relevant Insurance Savings Participants, each of the Insurance Savings Participants will acquire Insurance Savings Participations in the relevant Savings Mortgage Receivables and Hybrid Mortgage Receivables. In each Asset Purchaser Insurance Savings Participation Agreement the relevant Insurance Savings Participant will undertake to pay to the Asset Purchaser all amounts received as Savings Premium on the Savings Insurance Policies and Savings Investment Insurance Policies. In return, the Insurance Savings Participant is entitled to receive the relevant Insurance Savings Participation Redemption Available Amount from the Asset Purchaser. The amount of the Insurance Savings Participation with respect to a Savings Mortgage Receivable or Hybrid Mortgage Receivable consists of (a) the Initial Insurance Savings Participation at the relevant Mortgage Purchase Date (b) increased on a monthly basis with the sum of (i) the Savings Premium due to the Insurance Savings Participants and received by the Asset Purchaser and (ii) a *pro rata* part, corresponding to the Insurance Savings Participation in the relevant Savings Mortgage Receivable or Hybrid Investment Mortgage Receivable, of the interest received by the Asset Purchaser in respect of such Savings Mortgage Receivable or Hybrid Mortgage Receivable. See section 7.6 (*Asset Purchaser Participation Agreements*).

**Asset Purchaser Bank Savings Participation Agreement:**

Under the terms of the Asset Purchaser Bank Savings Participation Agreement with the Bank Savings Participants, each Bank Savings Participant will acquire participations in the Relevant Bank Savings Mortgage Receivables in consideration for the undertaking of the Bank Savings Participant to pay to the Asset Purchaser all amounts received as Monthly Bank Savings Deposit Instalments. In return, the Bank Savings Participant is entitled to receive the Bank Savings Participation Redemption Available Amount from the Asset Purchaser. The amount of the Bank Savings Participation with respect to a Relevant Bank Savings Mortgage Receivable consists of (a) the Initial Bank Savings Participation, increased on a monthly basis with (b) the sum of (i) the Monthly Bank Savings Deposit Instalments received by the Bank Savings Participant in relation to the Relevant Bank Savings Mortgage Receivables and paid to the Asset Purchaser and (ii) a *pro rata* part, corresponding to the Bank Savings Participation in the Relevant Bank Savings Mortgage Receivable, of the interest received by the Asset Purchaser in respect of such Relevant Bank Savings Mortgage Receivable. See section 7.6 (*Asset Purchaser Participation Agreements*).

**Asset Purchaser Servicing Agreement:**

Under the terms of the Asset Purchaser Servicing Agreement, the Servicer will agree (i) to provide

administration and management services in relation to the Mortgage Loans on a day-to-day basis, including, without limitation, the collection of payments of principal, interest and all other amounts in respect of the Mortgage Receivables and the implementation of arrears procedures including, if applicable, the enforcement of Mortgages.

## 1.8 General

### **Management Agreements:**

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

## 2. RISK FACTORS

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

### **RISK FACTORS REGARDING THE ISSUER**

#### **The Issuer has limited resources available to meet its obligations**

The ability of the Issuer to meet its obligations in full to pay principal and interest on the Notes will be dependent on the receipt by it of funds under the IC Loans, the proceeds of the issue of Notes (other than the Class E Notes), the receipt by it of payments under any Issuer Currency Swap Agreement, and the receipt by it of interest in respect of the balance standing to the credit of the Issuer Accounts. In addition, the Issuer will have available to it the balances standing to the credit of the Issuer Reserve Account and the Issuer Pre-Funded Account. See further *section 5 (Credit Structure)*.

#### **The Issuer has counterparty risk exposures**

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. In respect of obligations of ABN AMRO Bank N.V., ABN AMRO Hypotheken Groep N.V., Direktbank N.V., Oosteroever Hypotheken B.V. and Quion 9 B.V. reference is made to the section *Risk of withdrawal of, and termination of liability under, the 403-Declarations*.

#### **Risk related to compulsory transfer of a Transaction Document following downgrade of the relevant counterparty of the Issuer**

Certain Transaction Documents to which the Issuer is a party, such as any Issuer Currency Swap Agreement and the Issuer Account Agreement, provide for minimum required ratings of the counterparties to these documents. If the ratings of a counterparty fall below these required minimum credit ratings, the Transaction Document may have to be transferred to another counterparty having the minimum required rating. In such event, there may not be a counterparty available that is willing to accept the rights and obligations under this Transaction Document or such counterparty may only be willing to accept the Transaction Document if the terms and conditions thereof will be modified. This may lead to losses under the Notes.

#### **Risk related to the termination of an Issuer Currency Swap Agreement and exchange rate risks**

Repayments of principal and payments of interest on a Series and Class of Notes will be made in the Specified Currency, which may be a currency other than euro, but the IC Loans made by the Issuer to the Asset Purchaser and repayments of principal and payments of interest by the Asset Purchaser to the Issuer will be in Euro. To hedge the currency exchange and, where applicable, interest rate exposure on the closing date for a Series and Class of Notes the Issuer will enter into currency swap transactions for such Notes with an Issuer Currency Swap Provider as specified in the Applicable Final Terms (see *section 5 (Credit Structure)*).

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

however, that if a Tax Event occurs, the Issuer Currency Swap Counterparty may (with the consent of the Issuer and provided that the rating of the Notes will not be downgraded below the Minimum Credit Ratings or, if the then current rating is below the Minimum Credit Ratings, the then current rating of any of the Notes will not adversely be affected) transfer its rights and obligations to another of its offices, branches or affiliates to avoid the relevant Tax Event.

Each Issuer Currency Swap Agreement will be terminable by one party in certain circumstances, including if (i) an event of default (as defined therein) occurs in relation to the other party, (ii) it becomes unlawful for either party to perform its obligations under the Issuer Currency Swap Agreement, or (iii) (by the Issuer Currency Swap Counterparty only) an Enforcement Notice is served. Events of default under the Issuer Currency Swap Agreement in relation to the Issuer will be limited to (i) non-payment under the Issuer Currency Swap Agreement, (ii) a merger or similar transaction with another entity or person without assumption of the Issuer's obligation under the Issuer Currency Swap Agreement and (iii) certain insolvency events. If the Issuer Currency Swap Agreement terminates, the Issuer may be obliged to make a termination payment to the Issuer Currency Swap Counterparty and, if no replacement issuer currency swap counterparty is found, the Issuer will be exposed to changes in the exchange rates between euro and the currency in which such Notes are denominated. Termination payments will rank in priority to certain other amounts due by the Issuer in accordance with the applicable Priority of Payments. As a consequence, the Issuer may have insufficient funds to make payments under the applicable Series and Classes of Notes.

#### **Effectiveness of the rights of pledge to the Security Trustee**

Under or pursuant to the Asset Purchaser Pledge Agreements and the Issuer Rights Pledge Agreement, various Dutch law pledges will be granted by the Asset Purchaser and the Issuer to the Security Trustee. On the basis of these pledges the Security Trustee can exercise the rights afforded by Dutch law to pledgees as if there were no bankruptcy, suspension of payments or preliminary suspension of payments of the Asset Purchaser and the Issuer. The Asset Purchaser and the Issuer are special purpose vehicles and are therefore unlikely to become insolvent. However, any bankruptcy, suspension of payments or preliminary suspension of payments involving the Asset Purchaser and 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 any Borrower to the Asset Purchaser prior to notification but after bankruptcy, suspension of payments or preliminary suspension of payments will be part of the bankruptcy estate of the Asset Purchaser, although the Security Trustee has the right to receive such amounts by preference after deduction of certain costs, (ii) a mandatory "cool-off" period of up to four (4) months may apply in case of bankruptcy or (preliminary) suspension of payments involving the Issuer or the Asset Purchaser, which, if applicable would delay the exercise ("*uitwinnen*") of the relevant right of pledge on the Mortgage Receivables, but not the collection ("*innen*") thereof, and (iii) the Security Trustee may be obliged to enforce its right of pledge within a reasonable period as determined by the judge-commissioner ("*rechter-commissaris*") appointed by the court in case of bankruptcy of the Issuer or the Asset Purchaser.

To the extent the receivables pledged by the Asset Purchaser and the Issuer to the Security Trustee are future receivables, such assets are no longer capable of being pledged after a bankruptcy or suspension of payments of the Issuer or the Asset Purchaser takes effect. The Issuer has been advised that the assets pledged to the Security Trustee under (i) the Asset Purchaser Rights Pledge Agreements and (ii) the Issuer Rights Pledge Agreement, other than the rights under any IC Loans, should probably be regarded as future receivables.

In view of the foregoing, the effectiveness of the rights of pledge to the Security Trustee may be limited in case of the insolvency of the Issuer and/or the Security Trustee.

#### **RISK FACTORS REGARDING THE ASSET PURCHASER**

##### **The Asset Purchaser has limited resources available to meet its obligations**

The ability of the Asset Purchaser to meet its obligations in full to pay the principal and interest on the IC Loans will be dependent on the receipt by it of funds under the Mortgage Receivables, the proceeds of the sale of Mortgage Receivables, the receipt by it of payments under the relevant Asset Purchaser



Insurance Savings Participation Agreement, Asset Purchaser Bank Savings Participation Agreement and the Asset Purchaser Swap Agreement and the receipt by it of interest in respect of the balance standing to the credit of the Asset Purchaser Accounts (other than on the Asset Purchaser Construction Deposit Account). See further section 5 (*Credit Structure*). Consequently, the Issuer may be unable to recover fully and/or timely under the IC Loans, which may in turn affect negatively payments to Noteholders.

#### **The Asset Purchaser has counterparty risk exposures**

Counterparties to the Asset Purchaser may not perform their obligations under the Transaction Documents, which may result in the Asset Purchaser not being able to meet its obligations under the IC Loan Agreement. In respect of obligations of ABN AMRO Bank N.V., ABN AMRO Hypotheken Groep N.V., Direktbank N.V., Oosteroever Hypotheken B.V. and Quion 9 B.V. reference is made to the section *Risk of withdrawal of, or termination of liability under the 403-Declarations*. Consequently, the Issuer may be unable to recover fully and/or timely under the IC Loan, which may, in turn, affect negatively payments to Noteholders.

#### **Risk related to compulsory transfer of rights and obligations under a Transaction Document following downgrade of a counterparty of the Asset Purchaser**

Certain Transaction Documents to which the Asset Purchaser is a party, such as the Asset Purchaser Account Agreement and the Asset Purchaser Swap Agreement, provide for minimum required ratings of the counterparties to these documents. See for more detail *Rating Events*. If the ratings of a counterparty fall below these required minimum credit ratings, the rights and obligations under such Transaction Document may have to be transferred to another counterparty having the minimum required rating. In such event, there may not be a counterparty available that is willing to accept the rights and obligations under this Transaction Document or such counterparty may only be willing to accept the rights and obligations under such Transaction Document if the terms and conditions thereof will be modified. This may lead to losses under the IC Loans and, thus, to losses under the Notes.

#### **Risk related to the license requirement under the Wft**

Under the Wft, a special purpose vehicle which services ("*beheert*") and administers ("*uitvoert*") loans granted to consumers, such as the Asset Purchaser, must have a license under the Wft. An exemption from the license requirement is available, if the special purpose vehicle outsources the servicing of the loans and the administration thereof to an entity holding a relevant license under the Wft. The Asset Purchaser has outsourced the servicing and administration of the Mortgage Loans to the Servicer under the Asset Purchaser Servicing Agreement. The current Servicer is duly licensed to act as intermediary in credits ("*bemiddelaar in krediet*") and offeror of credits ("*aanbieder van krediet*") with respect to mortgage loans under the Wft and the Asset Purchaser thus benefits from the exemption.

If the Asset Purchaser Servicing Agreement is terminated, the Asset Purchaser will need to outsource the servicing and administration of the Mortgage Loans to another duly licensed entity. The Asset Purchaser could also apply for and hold a license itself, but in that situation the Asset Purchaser will have to comply with the applicable license requirements under the Wft itself. If the Asset Purchaser Servicing Agreement is terminated and the Asset Purchaser has not outsourced the servicing and administration of the Mortgage Loans to a duly licensed entity and it will not hold a license itself, the Asset Purchaser will have to terminate its activities and may have to sell the Mortgage Receivables, which, in turn, could lead to losses under the IC Loans and, consequently, to losses under the Notes.

#### **Risk related to the termination of the Asset Purchaser Swap Agreement**

There will be a difference between the rate of interest to be received by the Asset Purchaser on the Mortgage Receivables and the rate of interest payable by the Asset Purchaser on the IC Loans. To mitigate this risk, the Asset Purchaser will enter into Asset Purchaser Swap Agreement in respect of the IC Loan Agreement. The Asset Purchaser Swap Counterparty will be obliged to make payments under the Asset Purchaser Swap Agreement without any withholding or deduction of taxes unless required by law. If any such withholding or deduction is required by law, the Asset Purchaser Swap Counterparty will be required to pay such additional amount as is necessary to ensure that the net amount actually received by the Asset Purchaser will equal the full amount that the Asset Purchaser would have received had no such withholding or deduction of taxes been required. The Asset Purchaser Swap Agreement will provide, however, in case of a Tax Event, the Asset Purchaser Swap

Counterparty may (with the consent of the Asset Purchaser and provided that the then current rating of any of the Notes will not be downgraded below the Minimum Credit Ratings or, if the then current ratings are below the Minimum Credit Ratings, the then current ratings will not be adversely affected) transfer its rights and obligations to another of its offices, branches or affiliates to avoid the relevant Tax Event.

The Asset Purchaser Swap Agreement will be terminable by one party in certain circumstances, including if (i) an event of default (as defined therein) occurs in relation to the other party, (ii) it becomes unlawful for either party to perform its obligations under the Asset Purchaser Swap Agreement, or (iii) (by the Asset Purchaser Swap Counterparty only) an Enforcement Notice is served. Events of default under the Asset Purchaser Swap Agreement in relation to the Asset Purchaser will be limited to (i) non-payment under the Asset Purchaser Swap Agreement, (ii) a merger or similar transaction with another entity or person without assumption of the Asset Purchaser's obligation under the Asset Purchaser Swap Agreement and (iii) certain insolvency events. If the Asset Purchaser Swap Agreement terminates the Asset Purchaser may be obliged to make a termination payment to the Asset Purchaser Swap Counterparty and, if no new asset purchaser swap counterparty can be found, the Asset Purchaser will be exposed to a possible mismatch between the rate of interest to be received by the Asset Purchaser on the Mortgage Receivables and the rate of interest payable by the Asset Purchaser on the relevant IC Loans. Termination payments will rank in priority to certain other amounts due by the Asset Purchaser in the applicable Priority of Payments. As a consequence, the Issuer may have insufficient funds to make payments of interest under the Notes.

#### **Risk of receipt of insufficient amounts under IC Loans from the Asset Purchaser**

Primarily, the ability of the Issuer to fulfil its obligations under the Notes will depend on receipt of amounts due under the IC Loans. Investors should be aware that the ability of the Asset Purchaser to fulfil its obligations under the IC Loans will depend primarily upon receipt by the Asset Purchaser of payments of interest and principal under the relevant Mortgage Receivables and payments from its various counterparties. If the Asset Purchaser does not receive sufficient funds it will not be able to fulfil its obligations under the IC Loans and the Issuer may therefore not receive sufficient funds to fulfil its obligations under the Notes.

#### **Risks associated with accession by other Sellers and Asset Purchasers**

In the Programme Agreement the transaction parties have agreed that a direct or indirect subsidiary of ABN AMRO Bank N.V. may accede to (some of) the Transaction Documents and become a Seller under the Programme and may therefore sell Mortgage Receivables to the Asset Purchaser. The Issuer and the Noteholders may therefore be exposed to risks on such other Seller than on the current Sellers. In addition, as a result of such accession, other mortgage products than those described in this Base Prospectus, which may have been originated in a different manner and with different eligibility criteria, may be sold and assigned to the Asset Purchaser.

The Noteholders will not have any right of prior review or consent before the Issuer enters into any additional IC Loan Agreements with new Asset Purchasers and advance new IC Loans or the corresponding issuance of Notes by the Issuer. Similarly, the terms of the Transaction Documents and the criteria for new IC loans to such Asset Purchaser may be amended to reflect the accession of the new Asset Purchaser. The consent of the Noteholders to these changes will not be required. There can be no assurance that these changes will not affect the cashflow available to pay amounts due on the Notes. Before entering into such IC Loan Agreements, the new Asset Purchaser will be required to satisfy a number of conditions, including that the then current ratings of the Notes will not be downgraded below the Minimum Credit Ratings as a result of such accession. However, these conditions may not guarantee that the new Asset Purchasers would fulfil their obligations under the IC Loans, and, therefore, that the Noteholders would receive full and/or timely payments on the Notes from the Issuer.

#### **Risk of withdrawal of, and termination of liability under, the 403-Declarations**

Under the 403-Declarations the 403-Guarantor is jointly and severally liable for the debts ("*schulden*") resulting from legal acts ("*rechtshandelingen*") of the Relevant ABN AMRO Subsidiaries. The Issuer has been advised that the Asset Purchaser Mortgage Receivables Purchase Agreement, the Asset Purchaser Servicing Agreement, the relevant Asset Purchaser Insurance Savings Participation

Agreement and the Asset Purchaser Bank Savings Participation Agreement to the extent relating to the Relevant ABN AMRO Subsidiaries, will be regarded as such a legal act and, therefore the relevant 403-Guarantor will be jointly and severally liable with the Relevant ABN AMRO Subsidiary for all debts under these agreements.

Each 403-Guarantor will have the right to withdraw the relevant 403-Declaration at any time by depositing a declaration to this effect with the Commercial Register of the relevant Chamber of Commerce. The Issuer has been advised that irrespective of such withdrawal, such 403-Guarantor will continue to be jointly and severally liable for all debts of the Relevant ABN AMRO Subsidiaries resulting from the Asset Purchasing Servicing Agreement, the relevant Asset Purchaser Insurance Savings Participation Agreement and the Asset Purchaser Bank Savings Participation Agreement. However, in respect of the debts of the Relevant ABN AMRO Subsidiaries (to the extent applicable) under the Asset Purchaser Mortgage Receivables Purchase Agreement, to the extent relating to the Relevant ABN AMRO Subsidiaries, this is not certain, because any sale and assignment of Mortgage Receivables under the Asset Purchaser Mortgage Receivables Purchase Agreement, to the extent relating to the Relevant ABN AMRO Subsidiaries, could be considered as a new legal act and, to the extent effectuated after withdrawal of the relevant 403-Declaration, may not be covered by such 403-Declaration. Therefore, the withdrawal of the relevant 403-Declaration will be an Assignment Notification Event in respect of the relevant Seller. ABN AMRO Bank N.V. has undertaken to inform the Issuer, the Asset Purchaser, the Issuer Administrator, the Asset Purchaser Administrator and the Security Trustee at least thirty (30) days prior to the withdrawal of any of the ABN AMRO Bank 403-Declarations.

Each 403-Guarantor can also file a notice of its intention to terminate its remaining liability after withdrawal of the relevant 403-Declarations. Such remaining liability will terminate if certain conditions are met, *inter alia*, that (i) the relevant company no longer belongs to the same group of companies as the relevant 403-Guarantor and (ii) a two (2) month notice period has expired and the relevant creditor has not opposed the intention to terminate in time or such opposition was dismissed by the court. If the creditor so demands, it must be provided with security for the payment of its claims, failing which the opposition will be upheld. This shall not apply if, after termination of the liability, the creditor has sufficient security ("*waarborg*") that such claims will be paid. The courts will have discretionary authority when deciding on this question. ABN AMRO Bank N.V. has undertaken to inform the Issuer, the Asset Purchaser and the Security Trustee at least thirty (30) days prior to the filing of its intention to terminate its remaining liability under the relevant ABN AMRO Bank 403-Declarations.

Under the ABN AMRO Group 403 Declarations, ABN AMRO Group N.V. is jointly and severally liable for the debts ("*schulden*") resulting from legal acts ("*rechtshandelingen*") of, *inter alia*, ABN AMRO Bank N.V. and ABN AMRO Hypotheken Groep B.V. Since ABN AMRO Group N.V. is a holding company with no significant activities of its own, it would have to look at its operating subsidiaries to satisfy a claim brought against it by the Issuer on the basis of the ABN AMRO Group 403 Declaration. As ABN AMRO Group N.V.'s only direct subsidiary is ABN AMRO Bank N.V., the Issuer has been advised that a claim under the ABN AMRO Group 403 Declaration relating to ABN AMRO Bank N.V. would not result in material recourse.

In view of the foregoing, the Asset Purchaser may be unable to seek recourse from the 403-Guarantors for breach of obligations by any Relevant ABN AMRO Subsidiary under the Asset Purchaser Mortgage Receivables Purchase Agreement, the Asset Purchaser Servicing Agreement, the relevant Asset Purchaser Insurance Savings Participation Agreement and the Asset Purchaser Bank Savings Participation Agreement. This could negatively affect the Asset Purchaser's ability to fulfil its obligations under the IC Loans and the Issuer's ability to meet its obligations under the Notes.

#### **Risks related to the creation of pledges on the basis of the Programme Parallel Debts**

Under Dutch law it is uncertain whether a security right can be validly created in favour of a party which is not the creditor of the claim which the security right purports to secure. Consequently, in order to secure the valid creation of the pledges in favour of the Security Trustee, (i) the Issuer will undertake in the Issuer Parallel Debt Agreement, as separate and independent obligations, by way of parallel debt, to pay to the Security Trustee amounts equal to the amounts due by it to the Issuer Secured Creditors and (ii) the Asset Purchaser will undertake in the Asset Purchaser Trust Agreement, as

separate and independent obligations by way of parallel debt, to pay to the Security Trustee amounts equal to these amounts due by it to the Asset Purchaser Secured Creditors. There is no statutory law or case law available on parallel debts such as the Issuer Parallel Debt and the Asset Purchaser Parallel Debt and the question whether a parallel debt constitutes a valid basis for the creation of security rights, such as rights of pledge. However, the Issuer has been advised that a parallel debt, such as the Issuer Parallel Debt and the Asset Purchaser Parallel Debt, create claims of the Security Trustee thereunder which can be validly secured by a right of pledge such as the rights of pledge created by the Issuer Rights Pledge Agreement and the Asset Purchaser Mortgage Receivables Pledge Agreement and the Asset Purchaser Rights Pledge Agreement (see section 4.10 (*Description of Security*)).

Any payments in respect of the Programme Parallel Debts and any proceeds received by the Security Trustee are in the case of an insolvency of the Security Trustee not separated from the Security Trustee's other assets, so the Secured Parties accept a credit risk on the Security Trustee, which, in turn, may cause losses to the Noteholders.

**Risk related to payments received by the Asset Purchaser prior to notification of the pledge of the Mortgage Receivables in favour of the Security Trustee**

Until notification to the Borrowers of the pledge to the Security Trustee of the Mortgage Receivables, but following notification of the assignment thereof to the Asset Purchaser, the Borrowers can only validly pay to the Asset Purchaser. Payments made by Borrowers to the Asset Purchaser prior to notification but after bankruptcy, suspension of payments or preliminary suspension of payments in respect of the Asset Purchaser having been declared will be part of the Asset Purchaser's estate. Based upon case law in case of bankruptcy of the Asset Purchaser, the Security Trustee will have the right to recover any such amounts by preference ("*bij voorrang*") on the proceeds of the Mortgage Receivables. Such proceeds cannot be collected until a provisional distribution list ("*tussentijdse uitdelingslijst*"), if any, and the distribution list ("*uitdelingslijst*") has become final and the Security Trustee would in such event have to share in the general bankruptcy costs. This may lead to losses for the Noteholders.

**RISK FACTORS REGARDING THE NOTES**

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

**associated with Notes issued under the Programme**

Investors in the Notes must be able to make an informed assessment of the Notes, based upon full knowledge and understanding of the facts and risks. Investors must determine the suitability of that investment in light of its own circumstances. The following factors might affect an investor's ability to appreciate the risk factors outlined below, placing such investor at a greater risk of receiving a lesser return on his investment:

- (i) if such an investor does not have sufficient knowledge and experience to make a meaningful evaluation of the Notes and the merits of investing in the Notes in light of the risk factors outlined below;
- (ii) if such an investor does not have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of his particular financial situation, the significance of these risk factors and the impact the Notes will have on his overall investment portfolio;
- (iii) if such an investor does not have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the investor's currency;
- (iv) if such an investor does not understand thoroughly the terms of the Notes and is not familiar with the behaviour of any relevant indices in the financial markets (including the risks associated thereof) as such investor is more vulnerable from any fluctuations in the financial markets generally; and

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

**The Notes will be solely the obligations of the Issuer**

The Notes will be indirectly guaranteed by the Asset Purchaser through a guarantee undertaken by the Asset Purchaser in the Asset Purchaser Trust Agreement for the obligations of the Issuer under the Issuer Parallel Debt Agreement (which includes a Parallel Debt for the obligations of the Issuer to the Noteholders) to the Security Trustee. The Notes will otherwise be solely the obligations of the Issuer. The Notes will not be obligations or responsibilities of, or otherwise guaranteed by, any other entity or person, in whatever capacity acting, including, without limitation, the Asset Purchaser, the Sellers, the Servicer, the Issuer Administrator, the Asset Purchaser Administrator, the Dealers, the Managers, the Arranger, the Issuer Account Bank, the Insurance Savings Participants, the Bank Savings Participants, the Swap Counterparties, the Directors, the Paying Agents, the Reference Agent or the Security Trustee. Furthermore, none of the Asset Purchaser (save as set out above), the Sellers, the Servicer, the Issuer Administrator, the Asset Purchaser Administrator, the Dealers, the Managers, the Arranger, the Issuer Account Bank, the Asset Purchaser Account Bank, the Swap Counterparties, the Directors, the Paying Agents, the Reference Agent, the Security Trustee or any other person in whatever capacity acting, will accept any liability whatsoever to Noteholders in respect of any failure by the Issuer to pay any amounts due under the Notes. None of the Asset Purchaser, the Sellers, the Servicers, the Issuer Administrator, the Asset Purchaser Administrator, the Dealers, the Managers, the Arranger, the Issuer Account Bank, the Insurance Savings Participants, the Bank Savings Participants, the Swap Counterparties, the Directors, the Paying Agents, the Reference Agent or the Security Trustee will be under any obligation whatsoever to provide additional funds to the Issuer, save in the limited circumstances described in section 5 (*Credit Structure*). Accordingly, other than in the limited circumstances described above, no person other than the Issuer will accept any liability whatsoever in respect of any failure by the Issuer to pay any amount due under the Notes.

**Risks related to prepayment on the Mortgage Loans and consequently the Pass-through Notes**

The Issuer is obliged to apply the Issuer Available Principal Funds towards repayment of the Pass-Through Notes in accordance with Condition 6(b). The maturity of the Notes of a Series and of a Series and Class and a Sub-class, in particular Pass-through Notes, will depend on, *inter alia*, the amount and timing of payment of principal on the IC Loans, and the amount and timing of payment of principal on the IC Loans will depend on the amount and timing of payment of principal (including full and partial prepayments, sale of the Mortgage Receivables by the Asset Purchaser, Net Foreclosure Proceeds upon enforcement of a Mortgage Loan and repurchase by the relevant Seller of Relevant Mortgage Receivables) on all Mortgage Loans. The average maturity of the Notes may be adversely affected by a higher or lower than anticipated rate of prepayments on the IC Loans and therefore by a higher or lower than anticipated rate of prepayments on the Mortgage Loans. The rate of prepayment of Mortgage Loans is influenced by a wide variety of economic, social and other factors, including prevailing market interest rates, changes in tax laws (including, but not limited to, amendments to mortgage interest tax deductibility), local and regional economic conditions and changes in Borrowers' behaviour (including, but not limited to, home-owner mobility). No guarantee can be given as to the level of prepayment that the Mortgage Loans and thus the IC Loans may experience, and variation in the rate of prepayments of principal on the Mortgage Loans and thus on the IC Loans may affect each Series and each Class of Notes differently.

**Payments to Noteholders may be subject to withholding tax pursuant to the 2003/48/EC EU Council Directive**

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 (or secured for) an individual resident in (or certain other persons) in that other Member State. For a transitional period, currently Luxembourg and Austria are instead required (unless they elect otherwise during that period) 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), subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or

other income may request that no tax be withheld. A number of non-EU countries and territories have adopted similar measures and the Member States have entered into reciprocal arrangements with certain of those countries or territories. The European Commission has proposed certain amendments to the EU Council Directive 2003/48/EC, which may, if implemented, amend or broaden the scope of the above-mentioned provisions. 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 is a risk that under certain circumstances the interest payments under the Notes become subject to withholding tax, which would reduce payments to the Noteholders.

**In certain circumstances, the Issuer and the Noteholders may be subject to US withholding tax under FATCA**

The United States passed legislation (the Foreign Account Tax Compliance provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010, commonly referred to as FATCA) which imposes new information reporting requirements with respect to certain holders of "financial accounts", as defined in the FATCA rules. If the Issuer does not comply with FATCA (either by entering an agreement with the U.S. Internal Revenue Service or under the provisions of a FATCA so-called "intergovernmental agreement") and its documentation and reporting requirements, the Issuer may be subject to a 30% U.S. withholding tax on the receipt of certain payments, thereby reducing amounts available for the Issuer to make payments on the Notes.

If the Issuer complies with FATCA, but in case of any Noteholder that does not provide the information requested to establish that it is eligible to receive payments free of FATCA withholding, then such Noteholder may be subject to 30% U.S. withholding on certain payments it receives. Notes issued prior to 1 January 2013 that are classified as debt for U.S. federal income tax purposes are generally exempt from these rules.

Prospective investors should consult their own advisors about the application of FATCA, in particular if they may be classified as financial institutions under the FATCA rules. The Netherlands has announced publicly that it expects to enter into an intergovernmental agreement for the implementation of FATCA by the end of 2012. Failing such agreement, the Issuer expects, if necessary, to enter into an agreement with the U.S. Internal Revenue Service under FATCA and hence to fully comply with FATCA.

**No obligation of the Issuer to compensate Noteholders for any tax withheld on behalf of any taxing authority**

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, any jurisdiction or any political subdivision of any authority having power to tax, the Issuer or any of 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.

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

As a result of, in the case of Fixed Rate Notes, a switch to a floating rate of interest or, in the case of Floating Rate Notes, an increase in the margin payable on the Notes, as of the relevant First Optional Redemption Date of a Series and Class or a Sub-class of Notes, the Issuer may have an incentive to exercise its right to redeem such Notes, on the relevant First Optional Redemption Date or on any Notes Payment Date thereafter. No guarantee can be given that the Issuer will actually exercise such right. The exercise of such right will, *inter alia*, depend on the ability of the Issuer to have sufficient funds available to redeem the relevant Notes, and, in respect of the Subordinated Notes, on the satisfaction of the Repayment Test. In the Issuer Trust Deed, the Issuer has undertaken vis-à-vis the Security Trustee to use its best efforts to redeem each Note on the First Optional Redemption Date of such Note with the proceeds of the issue of new Notes for such purpose and if the Issuer is unable to issue sufficient new Notes for such purpose, the Issuer will inform the Asset Purchaser thereof. Pursuant to the IC Loan Agreement the Asset Purchaser undertakes its best efforts to repay a *pro rata*

part of the IC Loans on the First Optional Redemption Date, which best efforts undertaking includes the sale of Mortgage Receivables to the extent necessary. The Issuer shall use the proceeds of the repayment of IC Loans to redeem such Note, to the extent available for such purpose.

However, there is no guarantee that the Issuer will exercise its right to redeem the Notes at the First Optional Redemption Dates.

**Risks related to early redemption of the Notes in case of Notes Clean-up Call Option, Programme Clean-up Call Option, Tax Call Option or Issuer Regulatory Call Option**

The Issuer has the option to redeem the Notes prematurely in the following circumstances: (i) subject to and in accordance with Condition 6(e), if the aggregate Principal Amount Outstanding of the Series and Class or Sub-class of Notes is less than 10 per cent. of the aggregate Principal Amount Outstanding of such Notes as at the Issue Date of such Notes by exercise of the Notes Clean-up Call Option, (ii) subject to and in accordance with Condition 6(f), if the aggregate Principal Amount Outstanding of all Mortgage Receivables falls below 10 per cent. of the highest Principal Amount Outstanding of all Mortgage Receivables reached since the Programme Signing Date by exercise of the Programme Clean-up Call Option; (iii) subject to and in accordance with Condition 6(h), for certain tax reasons by exercise of the Tax Call Option and (iv) subject to and in accordance with Condition 6(i), upon exercise by any of the Sellers of its Regulatory Call Option by exercise of the Issuer Regulatory Call Option. Should the Notes Clean-up Call Option, be exercised, all Notes of the relevant Series and Class or Sub-class may be redeemed prematurely and should the Programme Clean-up Call Option, the Tax Call Option or the Issuer Regulatory Call Option be exercised, all Notes may be redeemed prematurely. Noteholders may not be able to invest the amounts received as a result of the redemption of the Notes on conditions similar to or better than those of the relevant Notes.

**Subordinated Notes bear a greater risk of non payment than higher ranking Classes of Notes**

To the extent set forth in Condition 9, (a) all Class B Notes, Class C Notes, Class D Notes and Class E Notes are subordinated in right of payment to all Class A Notes, (b) all Class C Notes, Class D Notes and Class E Notes are subordinated in right of payment to all Class A Notes and Class B Notes, (c) all Class D Notes and Class E Notes are subordinated in right of payment to all Class A Notes, Class B Notes and Class C Notes and (d) all Class E Notes are subordinated in right of payment to all Class A Notes, Class B Notes, Class C Notes and 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 Borrowers and after exercise by the Servicer of all available remedies in respect of the applicable Mortgage Loans, the Asset Purchaser does not receive the full amount due from such Borrowers, and the Issuer as a consequence thereof does not receive the full amount outstanding from the Asset Purchaser under an IC Loan, the relevant Noteholders may receive by way of principal repayment on the Notes of the relevant Series and Class of Notes an amount less than the Principal Amount Outstanding of their Notes and the Issuer may be unable to pay in full interest due on such Notes, to the extent set forth in Condition 9. On any relevant Notes Payment Date, any Realised Losses on the Mortgage Loans will be allocated as described in section 5 (*Credit Structure*).

**Risk resulting from the Repayment Test**

If on any Notes Payment Date on which a repayment of principal is due on any Subordinated Notes at a time when, if the repayment was made, the Principal Amount Outstanding of the remaining relevant Classes of Subordinated Notes is not sufficient to provide the level of credit enhancement required to support the ratings on the remaining Series and Classes of Notes and the Issuer is unable to issue the relevant additional Subordinated Notes or obtain acceptable alternative forms of credit enhancement, the Issuer will not be entitled to repay on such date such Series and Class or Sub-Class of Notes. See section 4.5 (*Repayment Test*). Consequently, there is a risk that the holders of Subordinated Notes may not receive the principal sum due under such Notes on the due date for redemption if the Repayment Test is not passed.

**Risk of redemption of Subordinated Notes with a Principal Shortfall**

In accordance with Condition 9(b), a Class B Note, a Class C Note, a Class D Note or a Class E Note may be redeemed in part, subject to a Class B Principal Shortfall, a Class C Principal Shortfall, a

Class D Principal Shortfall or a Class E Principal Shortfall. As a consequence a holder of a Class B Note, a Class C Note, a Class D Note or a Class E Note may not receive the full Principal Amount Outstanding of such Note upon redemption in accordance with and subject to Condition 6.

**Risk that in case of a Trigger Event the repayment of Notes may be accelerated or delayed**

Upon the occurrence of a Trigger Event any Soft-bullet Notes will become Pass-through Notes and all Pass-through Notes will be subject to mandatory (partial) redemption on a sequential basis. This may have the result that the repayment of Notes may, depending on the type of Note, be accelerated or delayed.

**The Issuer may change the required subordination level**

The Issuer may change the percentage of subordination required for each Class of Notes, other than the Class E Notes (see section 4.4 (*Issuance Test*)), or the method of calculating the required amount of subordination for such Class of Notes, at any time without the consent of any Noteholders if certain conditions are met, provided that a Credit Rating Agency Confirmation in respect of each Credit Rating Agency is available in respect of such change.

**Risk that Notes are not repaid upon maturity**

The ability of the Issuer to redeem all the Notes of a Series and Class, or Sub-class thereof, on each relevant First Optional Redemption Date or, as the case may be, on the relevant Final Maturity Date in full and to pay all amounts due to the Noteholders of a Series or all Series, including after the occurrence of an Event of Default, may depend upon whether the payments under the IC Loans are sufficient to redeem the Notes of a Series and Class, or Sub-class thereof or all Series, which payments will ultimately depend on whether the amounts received in respect of the Mortgage Receivables are sufficient to redeem the Notes.

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

The structure of the issue of the relevant Notes and the relevant ratings which are to be assigned to them are based on Dutch law (or the laws of England and Wales) in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible change to the laws or regulations of the Netherlands (or England and Wales) or any other jurisdiction or administrative practice in the Netherlands (or England and Wales) after the date of this Base Prospectus.

Currently, the laws, regulations and administrative practice relating to asset-backed securities such as the Notes are in a significant state of flux in Europe and it is impossible for the Issuer to predict how these changes may in the future impact investors in the Notes, whether directly or indirectly.

**Risks related to the limited liquidity of the Notes**

The secondary market for mortgage-backed securities is experiencing limited liquidity. The conditions may continue or worsen in the future. Limited liquidity in the secondary market for mortgage-backed securities has had a severe adverse effect on the market value of mortgage-backed securities. Limited liquidity in the secondary market may continue to have a severe adverse effect on the market value of mortgage-backed securities, especially those securities that are more sensitive to prepayment, credit or interest rate risk and those securities that have been structured to meet the investment requirements of limited categories of investors. Consequently, an investor in the Notes may not be able to sell its Notes readily. The market values of the Notes are likely to fluctuate and may be difficult to determine. Any of these fluctuations may be significant and could result in significant losses to such investor. In addition, the forced sale into the market of mortgage-backed securities held by structured investment vehicles, hedge funds, issuers of collateralised debt obligations and other similar entities that are currently experiencing funding difficulties could adversely affect an investor's ability to sell, and/or the price an investor receives for, the Notes in the secondary market. Thus, Noteholders bear the risk of limited liquidity of the secondary market for mortgage-backed securities and the effect thereof on the value of the Notes.

**Credit ratings may not reflect all risks**

The (future) rating of each of the Notes addresses the assessment made by the Rating Agencies of the likelihood of full and timely payment of interest and ultimate payment of principal on or before the Final Maturity Date of the relevant Notes.



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

A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation if in its judgement, the circumstances (including a reduction in, or withdrawal of the credit rating of the Issuer Account Bank, the Asset Purchaser Account Bank, the Asset Purchaser Swap Counterparty or any Issuer Currency Swap Counterparty) in the future so require.

**Risk related to unsolicited ratings on the Notes**

Other credit rating agencies that have not been engaged to rate the Notes by the Issuer may issue unsolicited credit ratings on the Notes at any time. Any unsolicited ratings in respect of the Notes may differ from the ratings expected to be assigned by Moody's, S&P or DBRS and may not be reflected in any final terms. Issuance of an unsolicited rating which is lower than the ratings assigned by Moody's, S&P or DBRS in respect of the Notes may adversely affect the market value and/or the liquidity of the Notes.

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

A credit rating is an assessment of credit risk and does not address other matters that may be of relevance to the Noteholder. Neither the Security Trustee nor the Noteholders have any right of recourse to or against the relevant Credit Rating Agency in respect of a confirmation from the relevant Credit Rating Agency that any action proposed to be taken by the Security Trustee, the Issuer or the Asset Purchaser will not have an adverse effect on the then current ratings of the Notes, which is relied upon by the Security Trustee. A confirmation from the relevant Credit Rating Agency that any action proposed to be taken by Security Trustee, the Issuer or the Asset Purchaser will not have an adverse effect on the then current ratings of the Notes does not, for example, confirm that such action (i) is permitted by the terms of the Transaction Documents or (ii) is in the best interests of, or not prejudicial to, the Noteholders. While the Security Trustee and the Noteholders are entitled to have regard to the fact that the Credit Rating Agencies have confirmed that the then current ratings of the relevant class (or sub-class) of Notes would not be adversely affected, the above does not create, impose or extend any actual or contingent liability on the Credit Rating Agencies to any person including, without limitation, the Noteholders and/or the Security Trustee or create any legal relationship between the relevant Credit Rating Agency and the Noteholders, the Security Trustee or any other person whether by way of contract or otherwise.

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

A confirmation from the relevant Credit Rating Agency that any action proposed to be taken will not have an adverse effect on the then current rating of the Notes represents only a restatement of the opinions given as at the relevant Issue Date and cannot be construed as advice for the benefit of any parties to the transaction.

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

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

Thus, Noteholders incur the risk of losses under the Notes when relying solely on a Credit Rating Agency Confirmation, including on a confirmation from each Credit Rating Agency that the then current ratings of the Notes will not be adversely affected by or withdrawn as a result of the relevant matter.

#### **Legal investment considerations may restrict certain investments in the Notes**

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

#### **Risk related to Notes held in global form**

The Notes will initially be held by either (A) a common safekeeper for Euroclear and Clearstream, Luxembourg, if the Notes are intended to be issued in the NGN form, as stated in the Applicable Final Terms, or (B) if the Notes are not intended to be issued in NGN form, with (i) a common depositary on behalf of Euroclear and Clearstream, Luxembourg, (ii) Euroclear Netherlands or (iii) a depositary for another clearing system, in each case in the form of a Global Note which will be exchangeable for Definitive Notes only in the limited circumstances as more fully described in *Description of the Notes in Global Form* below. For as long as any Notes are represented by a Global Note held by a common safekeeper or a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg, payments of principal, interest (if any) and any other amounts on a Global Note will be made through Euroclear and/or Clearstream, Luxembourg (as the case may be) against presentation or surrender (as the case may be) of the relevant Global Note and, in the case of a Temporary Global Note, certification as to non-U.S. beneficial ownership. The holder of the relevant Global Note, being the common safekeeper or common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg shall be treated by the Issuer and any Paying Agents as the sole holder of the relevant Notes represented by such Global Note with respect to the payment of principal, interest (if any) and any other amounts payable in respect of the Notes.

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

Thus, the Noteholders will have to rely on the procedures of these organisations for transfers, payments and communications with the Issuer.

#### **Certain decisions are taken at Programme level which may affect all Notes**

Any Programme Resolution must be passed at a single meeting of the holders of all Notes (of a Class) of all Series then outstanding as set out in more detail in Condition 14 (Meetings of Noteholders,

Modification; Consent; Waiver) and cannot be decided upon at a meeting of Noteholders of a single Series. A Programme Resolution will be binding on all Noteholders of the relevant Class including Noteholders who did not attend and vote at the relevant meeting and on Noteholders who voted in a manner contrary to the majority.

**The Security Trustee may agree to modifications without the Noteholders' prior consent**

Pursuant to the terms of the Issuer Trust Deed, the Security Trustee may agree without the consent of the Noteholders, to (i) any modification of any of the provisions of the Issuer Trust Deed, the Notes or any other Transaction Document which is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Issuer Trust Deed, the Notes or any other Transaction Document which is in the opinion of the Security Trustee not materially prejudicial to the interests of the Noteholders, provided that a Credit Rating Agency Confirmation in respect of each Credit Rating Agency is available in respect of such modification, authorisation or waiver. Any such modification, authorisation or waiver shall be binding on the Noteholders and other Programme Secured Creditors 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.

**No consent of the Noteholders is required for new issues**

The Issuer may issue Notes from time to time. New Notes may be issued without notice to existing Noteholders and without their consent, and may have different terms from outstanding Notes. For a description of the conditions that must be met before the Issuer can issue new Notes, see section 4.4 (*Issuance Test*). The issuance of new Notes could adversely affect the timing and amount of payments on outstanding Notes. For example, if Notes of the same Class as existing Notes are issued and have a higher interest rate than the existing Notes, this could result in a reduction in the available funds used to pay interest on the existing Notes. Also, when new Notes are issued, the voting rights of existing Notes will be diluted.

**Ranking of all Notes of a Class**

Notes issued under the Programme will either be fungible with an existing Series or have different terms to an existing Series (in which case they will constitute a new Series). All Notes of a Class (whether or not from the same Series or another Series) issued from time to time will rank *pari passu* with each other in all respects and will share equally in the security granted to the Security Trustee in order of subordination of the Class. If a Trigger Event occurs or an Enforcement Notice is served and results in acceleration, all Notes of all Series of a Class will accelerate at the same time.

**Risks related to the structure of a particular issue of Notes**

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for investors. The Notes are complex financial instruments. Investors should not invest in Notes which are complex financial instruments unless they have the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the investor's overall investment portfolio.

**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 a range 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 Dealers, the Managers, the Arranger, the Asset Purchaser or the Sellers makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment on the relevant Issue Date or at any time in the future.

In particular, in Europe, investors should be aware of Article 122a of the CRD, as implemented in the Netherlands by the Dutch Regulation Securitisations of 26 October 2010 ("*Regeling securitisaties Wft*").

2010") which applies in general to new securitisations issued on or after 1 January 2011 and, after 31 December 2014, to existing securitisations where new underlying exposures are added or substituted after 31 December 2014. Article 122a 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 not less than 5% in respect of certain specified credit risk tranches or asset exposures as contemplated by Article 122a. Article 122a 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, its note position and the underlying exposures and that procedures are established for such activities to be conducted on an on-going basis. Failure to comply with one or more of the requirements set out in Article 122a will result in the imposition of a penal capital charge on the Notes acquired by the relevant investor.

Prospective Noteholders should therefore make themselves aware of the requirements of Article 122a, where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes.

There remains considerable uncertainty with respect to Article 122a and it is not clear what will be required to demonstrate compliance to national regulators. Investors who are uncertain as to the requirements that will need to be complied with in order to avoid the additional regulatory charges for non compliance with Article 122a should seek guidance from their regulator. Similar requirements to those set out in Article 122a 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 CRD 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.

#### **Proposed Changes to the Basel Capital Accord**

On 26 June 2004, the Basel Committee on Banking Supervision published the text of the Basel II capital accord, which places enhanced emphasis on market discipline and sensitivity to risk, serves as a basis for national and supra-national rulemaking and approval processes for banking organisations. Basel II has been put into effect for credit institutions in Europe via the recasting of a number of prior directives in a consolidating directive referred to as the CRD. The Basel Committee on Banking Supervision proposed new Basel III rules amending the existing Basel II Accord on bank capital requirements. The changes refer to, amongst other things, new requirements for the capital base, measures to strengthen the capital requirements for counterparty credit exposures arising from certain transactions and the introduction of a leverage ratio as well as short-term and longer-term standards for funding liquidity (referred to as the Liquidity Coverage Ratio and the Net Stable Funding Ratio, respectively). Member countries will be required to implement the new capital standards from January 2013, the new Liquidity Coverage Ratio from January 2015 and the Net Stable Funding Ratio from January 2018. The European authorities have indicated that they support the work of the Basel Committee on the approved changes in general. It is uncertain when the European Commission's corresponding proposals to implement the changes (through amendments to the CRD known as CRD IV) will be implemented.

Furthermore, pursuant to the proposed Solvency II rules, more stringent rules will apply for European insurance companies from January 2013 in respect of instruments such as the Notes in order to qualify as regulatory capital (*toetsingsvermogen c.q. solvabiliteitsmarge*).

Basel II, as published, and Basel III even to a greater extent, will affect risk-weighting of the Notes for investors subject to the new framework following its implementation (whether via the CRD or otherwise by non-EU regulators if not amended from its current form when or if implemented by non-EU regulators). This could affect the market value of the Notes in general and the relative value for the investors in the Notes.

Potential investors should consult their own advisers as to the consequences to and effect on them of the application of Basel II, as implemented by their own regulator or following implementation, and any

changes thereto pursuant to Basel III, and the application of Solvency II, to their holding of any Notes. The Issuer, the Security Trustee and the Managers are not responsible for informing Noteholders of the effects on the changes to risk-weighting or regulatory capital which amongst others may result for investors from the adoption by their own regulator of Basel II, Basel III or Solvency II (whether or not implemented by them in its current form or otherwise).

**Notes may not be recognized as eligible Eurosystem collateral**

If it is specified in the Applicable Final Terms that the Notes are intended to be held in a manner which will allow Eurosystem eligibility, this means that such Notes are intended upon issue to be deposited with one of the ICSDs as Common Safekeeper. This does not necessarily mean that such Notes will be recognised as 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.

**RISK FACTORS REGARDING THE MORTGAGE LOANS**

**Risk related to payments received by a Seller prior to notification of the assignment to the Asset Purchaser**

Under Dutch law, assignment of the legal title of claims, such as the Mortgage Receivables, can be effectuated by means of a notarial or registered deed of assignment, without notification of the assignment to the debtors being required ("*stille cessie*"). The legal ownership of the Relevant Mortgage Receivables will be assigned by the relevant Seller to the Asset Purchaser through a registered deed of assignment. The Asset Purchaser Mortgage Receivables Purchase Agreement will provide that the assignment of the Relevant Mortgage Receivables from the relevant Seller to the Asset Purchaser will not be notified by the relevant Seller or the Asset Purchaser to the Borrowers except if certain events occur. For a description of these notification events see *Asset Purchaser Mortgage Receivables Purchase Agreement*.

Until notification of the assignment has been made to the Borrowers, the Borrowers can only validly pay to the relevant Seller in order to fully discharge their payment obligations ("*bevrijdend betalen*"). Each Seller will undertake in the Asset Purchaser Mortgage Receivables Purchase Agreement to pay on each Mortgage Collection Payment Date to the Asset Purchaser any amounts received in respect of the Relevant Mortgage Receivables during the immediately preceding Mortgage Calculation Period. However, receipt of such amounts by the Asset Purchaser is subject to the relevant Seller actually making such payments. In case the relevant Seller is declared bankrupt or subjected to (preliminary) suspension of payments ("*voorlopige surseance van betaling*") or emergency regulations ("*noodregeling*") prior to making such payments, the Asset Purchaser has no right of any preference in respect of such amounts.

Payments made by a Borrower to a Seller prior to notification, but after bankruptcy or (preliminary) suspension of payments (or emergency regulations, if applicable) in respect of such Seller having been declared, will be part of that Seller's bankruptcy estate. In respect of these payments, the Asset Purchaser and the Security Trustee as pledgee will be a non-preferred creditor of the estate ("*boedelschuldeiser*") and will receive payment prior to creditors with ordinary insolvency claims, but after preferred creditors of the estate and after deduction of the general bankruptcy costs. Thus, the Issuer may be unable to meet fully and/or timely its payment obligations to the Noteholders.

**Risk that the All Moneys Security Rights will not follow the Mortgage Receivables upon assignment to the Asset Purchaser**

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

The Mortgage Receivables are secured by All Moneys Security Rights. The prevailing view of Dutch commentators has been for a long time that upon the assignment of a receivable secured by an All

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

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

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

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

Part of the mortgage deeds relating to the Mortgage Loans provide that if a Mortgage Receivable is assigned to a third party, the All Moneys Security Right will follow the Mortgage Receivable that is assigned. This provision is an indication of the intentions of the parties in respect of assignment of the Mortgage Receivable. The Issuer has been advised that, provided that there are no additional circumstances which would result in the mortgage deed being interpreted in a different manner, the inclusion of such a provision, whether or not by reference, makes clear that the All Moneys Security Right (partially) follows the Mortgage Receivable as an ancillary right upon assignment of such Mortgage Receivable. However, there is no case law explicitly supporting this analysis.

The above applies *mutatis mutandis* in the case of the pledge of the Mortgage Receivables to the Security Trustee under the Asset Purchaser Mortgage Receivables Pledge Agreement.

In view of the above, the Asset Purchaser and the Security Trustee as pledgee may be unable, as a matter of Dutch law, to enforce mortgage rights or right of pledge in respect of the Mortgage Receivables, which, in turn, could lead to losses under the IC Loans and, consequently, to losses under the Notes.

#### **Risk related to jointly-held All Moneys Security Rights by the Seller, the Asset Purchaser and the Security Trustee**

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

Where All Moneys Security Rights are jointly-held by both the Asset Purchaser or the Security Trustee and the relevant Seller the rules applicable to a joint estate ("*gemeenschap*") apply. The Dutch Civil Code provides for various mandatory rules applying to such jointly-held rights. In the Asset Purchaser Mortgage Receivables Purchase Agreement the Seller, the Asset Purchaser and the Security Trustee have agreed that the Asset Purchaser and/or the Security Trustee (as applicable) will manage and administer such jointly-held rights (together with the arrangements regarding the share ("*aandee*") set out in the next paragraph, the "**Joint Security Right Arrangements**"). Certain acts, including acts concerning the day-to-day management ("*beheer*") of the jointly-held rights, may under Dutch law be transacted by each of the participants ("*deelgenoten*") in the jointly-held rights. Certain other acts must be transacted by all of the participants acting together in order to bind the jointly-held rights. It is uncertain whether the foreclosure of the mortgage rights as provided in the Joint Security Right Arrangements will be considered as day-to-day management, and, consequently the consent of the relevant Sellers bankruptcy trustee (in case of bankruptcy) or administrator (in case of suspension of payments or emergency regulations) may be required for such foreclosure.

Each Seller, the Asset Purchaser and/or the Security Trustee (as applicable) has agreed that in case of foreclosure the share ("*aandee*") in each jointly-held All Moneys Security Rights of the Security Trustee and/or the Asset Purchaser will be equal to the Outstanding Principal Amount of the Mortgage Receivable, increased with interest and costs, if any, and the share of the relevant Seller will be equal to the Net Foreclosure Proceeds less the Outstanding Principal Amount, increased with interest and costs, if any. The Issuer has been advised that a good argument can be made that this Joint Security Right Arrangement will be binding upon the relevant Seller or, in case of its bankruptcy or, suspension of payments, emergency regulations, its trustee ("*curator*") or administrator ("*bewindvoerder*"), as the case may be, but that this is not certain. Furthermore, it is noted that this Joint Security Right Arrangement may not be effective against the Borrower.

Each Seller will undertake that, if at any moment it shall grant or acquire any Other Claims on a Borrower, other than a Further Advance, it shall have an obligation to pledge, upon the occurrence of an Asset Purchaser Assignment Notification Event relating to the relevant Seller, the Other Claims, if any, in favour of the Asset Purchaser and the Security Trustee. Such pledge (if vested) will secure the claim of the Asset Purchaser and/or the Security Trustee on the relevant Seller created for this purpose equal to the share of the relevant Seller in the foreclosure proceeds in relation to a defaulted Borrower, which claim becomes due and payable upon a default of the relevant Borrower. These pledges are meant to secure the Joint Security Right Arrangements. If and to the extent that these pledges will not have been validly vested on all Other Claims, the remaining risk will be that the Joint Security Right Arrangements may not be enforceable, as set out above, which may lead to losses upon enforcement of All Moneys Security Rights securing the Mortgage Receivables and, thus, lead to losses under the IC Loans and, consequently, under the Notes.

In case a Mortgage Receivable is originated by an Originator other than the relevant Seller and is secured by an All Moneys Security Right, the above applies *mutatis mutandis*. In such case the Seller undertakes that it shall procure that the related Originator shall not obtain any Other Claims on a Borrower, other than a Further Advance which is sold to the relevant Seller and immediately sold and assigned to the Asset Purchaser, however this may not fully mitigate the risks set forth above.

#### **Risk that the mortgage rights on long leases cease to exist**

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

When underwriting a Mortgage Loan to be secured by a Mortgage on a long lease, the relevant Seller will take into consideration the conditions, including the term, of the long lease. The acceptance conditions used by each Seller provide that in such event the Mortgage Loan shall have a maturity that is shorter than the term of the long lease. Furthermore, the general terms and conditions applicable to the Mortgage Loans provide that the Mortgage Loan becomes immediately due and payable in certain events, which include, in most cases, the event that the long lease terminates or the leaseholder does not meet its obligations under the long lease.

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

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

Under Dutch law a debtor has a right of set-off if it has a claim which corresponds to a debt to the same counterparty and it is entitled to pay its debt as well as to enforce payment of its claim. Subject to these requirements being met, each Borrower will be entitled to set off amounts due by the relevant Seller to it (if any) with amounts it owes in respect of the Relevant Mortgage Receivable prior to notification of the assignment of the Relevant Mortgage Receivable to the Asset Purchaser having been made. As a result of the set-off the Relevant Mortgage Receivable will, partially or fully, be extinguished ("*gaat teniet*"). Set-off by Borrowers could thus lead to losses under the IC Loans and, therefore, to losses under the Notes.

Some, but not all, of the conditions applicable to the Mortgage Loans provide that payments by the Borrowers should be made without set-off. Although this clause is intended as a waiver by the Borrowers of their set-off rights vis-à-vis the relevant Seller, under Dutch law it is uncertain whether such waiver will be valid. Should such waiver be invalid and in respect of Mortgage Loans which do not contain a waiver, the Borrowers will have the set-off rights described in this paragraph.

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

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

The Asset Purchaser Mortgage Receivables Purchase Agreement provides that if at any time (i) a Borrower invokes a right to set-off amounts due by the relevant Seller of whatever nature, including, without limitation, with any Asset Purchaser Construction Deposit owed to it with the Relevant Mortgage Receivable and, (ii) as a consequence thereof, the Asset Purchaser does not receive the full



amount due in respect of such Mortgage Receivable, the relevant Seller will pay to the Asset Purchaser an amount equal to the difference between the amount which the Asset Purchaser would have received in respect of the relevant Mortgage Receivable if no set-off had taken place and the amount actually received by the Asset Purchaser in respect of such Mortgage Receivable. In addition, the Asset Purchaser Mortgage Receivables Purchase Agreement provides that if the credit ratings assigned by the Credit Rating Agencies to ABN AMRO Bank's unsecured, unsubordinated and unguaranteed debt obligations fall below certain levels, ABN AMRO Bank shall transfer an amount equal to the Potential Set-Off Amount to a cash collateral account or implement any other actions subject to the consent of the Security Trustee and Credit Rating Agency Confirmation being available. If the above provisions in the Asset Purchaser Mortgage Receivables Purchase Agreement would not be enforceable vis-à-vis the relevant Seller or ABN AMRO Bank, as applicable or the amount in respect of which the Borrower invokes set-off exceeds the amount deposited in the cash collateral account, any set-off by a Borrower could lead to losses under the IC Loans and, thus, to losses under the Notes.

Claims of a Borrower against a Seller could, *inter alia*, result from current account balances or deposits made by such Borrower with such Seller, including, in respect of Bank Savings Mortgage Loans, the Bank Savings Deposits of a Borrower held with the relevant Bank Savings Participant. In this respect, each Seller (other than ABN AMRO Bank N.V.) has represented that (i) it owes no amounts to a Borrower under a current account relationship and (ii) no deposits have been accepted by it from any Borrower, other than Asset Purchaser Construction Deposits on the Programme Signing Date or the Programme Accession Date, as the case may be, but these Sellers have not undertaken not to accept any current account relationships or deposits or create any other legal relationship which may lead to a claim of a Borrower on such Seller in the future. Direktbank has accepted deposits on Bank Savings Accounts in connection with the Relevant Bank Savings Mortgage Loans. Claims of a Borrower on ABN AMRO Bank N.V., may result from deposits made by such Borrower with ABN AMRO Bank N.V. under the terms of the relevant Mortgage Loan, such as Bank Savings Deposits, Asset Purchaser Construction Deposits, a savings account ("*meerkeuze spaarrekening*"), premium deposits ("*premiedepots*") and deposits intended to mitigate housing expenses ("*woonlastenverlagingsdepots*"). Also, such claims of a Borrower against a Seller can, *inter alia*, result from services rendered by such Seller to the Borrower, such as investment advice or investment management services in connection with Investment Mortgage Loans rendered by such Seller or for which such Seller is responsible or liable.

In order to mitigate the set-off risk in respect of Bank Savings Mortgage Loans, an Asset Purchaser Bank Savings Participation Agreement has been entered into by the Asset Purchaser with the Bank Savings Participants. Therefore, normally the Asset Purchaser will not suffer any damages if a Borrower would invoke set-off, if and to the extent the amount for which the Borrower would invoke set-off does not exceed the amount of the relevant Bank Savings Participation. The amount for which the Borrower can invoke set-off or defences may, depending on the circumstances involved, exceed the amount of the relevant Bank Savings Participation. The remaining risk will be that if and to the extent that the amount for which a Borrower successfully invokes set-off or defences would exceed the relevant Bank Savings Participation, such set-off or defences could lead to losses under the IC Loans and, thus, to losses under the Notes.

The above applies *mutatis mutandis* in case of the pledge of the Mortgage Receivables to the Security Trustee under the Asset Purchaser Mortgage Receivables Pledge Agreement.

Accordingly, the Asset Purchaser and/or the Security Trustee may be unable to obtain full payments in respect of the Mortgage Receivables where Borrowers may be entitled to set-off claims against the relevant Seller. As a result of such possible set-off amounts, this could lead to losses under the IC Loans and, consequently under the Notes.

#### **Risk that Borrower Insurance Pledges will not be effective**

All rights of a Borrower under the Insurance Policies have been pledged to each relevant Seller under a Borrower Insurance Pledge. The Issuer has been advised that it is probable that the right to receive payment, including the commutation payment ("*afkoopsom*"), under the Insurance Policies will be regarded by a Netherlands court as a future right. The pledge of a future right is, under Dutch law, not

effective if the pledgor is declared bankrupt or granted a suspension of payments or debt restructuring scheme ("*schuldsanering natuurlijke personen*") prior to the moment such right comes into existence. This means that it is uncertain whether such pledge will be effective.

Accordingly, the Asset Purchaser's rights under insurance policies pledged by Borrowers may be subject to limitations under Dutch insolvency law, which may, in turn, lead to losses under the IC Loans and, consequently, to losses under the Notes.

#### **Risks relating to Beneficiary Rights under the Insurance Policies**

Each Seller has been appointed as beneficiary under the Insurance Policies, except that in many cases another beneficiary has been appointed who will rank ahead of the relevant Seller, provided that there is a Borrower Insurance Proceeds Instruction. It is unlikely that the Beneficiary Rights will follow the Mortgage Receivables upon assignment or pledge thereof to the Asset Purchaser or the Security Trustee. The Beneficiary Rights will be assigned by each Seller to the Asset Purchaser and will be pledged to the Security Trustee by the Asset Purchaser (see section 4.10 (*Security*)), but it is uncertain whether this assignment and pledge will be effective.

The Sellers, the Asset Purchaser, the Insurance Savings Participant (other than the Sellers) and the Security Trustee have each entered into an Asset Purchaser Beneficiary Waiver Agreement under which the relevant Seller, without prejudice to the rights of the Asset Purchaser as assignee and the Security Trustee as pledgee and subject to the condition precedent of the occurrence of an Asset Purchaser Assignment Notification Event waives its rights as beneficiary under the Insurance Policies and appoints as first beneficiary (i) the Asset Purchaser subject to the dissolving condition of the occurrence of an Asset Purchaser Pledge Notification Event relating to the Asset Purchaser and (ii) the Security Trustee under the condition precedent of the occurrence of an Asset Purchaser Pledge Notification Event relating to the Asset Purchaser. It is, however, uncertain whether such waiver and appointment will be effective. In the event that such waiver and appointment are not effective in respect of the Insurance Policies, the relevant Seller and the Insurance Savings Participant (other than the Sellers) will undertake in the Asset Purchaser Beneficiary Waiver Agreement that, or in the case of Insurance Policies with Insurance Companies other than the Insurance Savings Participant (other than the Sellers), the relevant Seller will undertake in the Asset Purchaser Mortgage Receivables Purchase Agreement upon the occurrence of an Asset Purchaser Assignment Notification Event, they will use their best efforts to terminate the appointment of such Seller as beneficiary under the Insurance Policies and to appoint the Asset Purchaser or the Security Trustee, as the case may be, as first beneficiary under the Insurance Policies.

In the event that a Borrower Insurance Proceeds Instruction has been given, each Seller and the Insurance Savings Participant will undertake in the Asset Purchaser Beneficiary Waiver Agreement following an Asset Purchaser Assignment Notification Event to use their best efforts to withdraw the Borrower Insurance Proceeds Instruction in favour of the relevant Seller and to issue the Borrower Insurance Proceeds Instruction in favour of (i) the Asset Purchaser subject to the dissolving condition of the occurrence of an Asset Purchaser Pledge Notification Event and (ii) the Security Trustee under the condition precedent of the occurrence of an Asset Purchaser Pledge Notification Event. A similar best efforts obligation applies to the Seller in respect of the Insurance Policies taken out with any Insurance Companies, other than the Insurance Savings Participant (other than the Sellers). The termination and appointment of a beneficiary under the Insurance Policies and the withdrawal and the issue of the Borrower Insurance Proceeds Instruction will require the co-operation of all relevant parties involved. It is uncertain whether such co-operation will be forthcoming.

If (i) the Asset Purchaser or the Security Trustee, as the case may be, has not become beneficiary of the Insurance Policies and (ii) the assignment and pledge of the Beneficiary Rights are not effective and (iii) the waiver of the Beneficiary Rights is not effective, any proceeds under the Insurance Policies will be payable to the relevant Seller or to another beneficiary, instead of the Asset Purchaser or the Security Trustee, as the case may be. If the proceeds are paid to a Seller, it will pursuant to the Asset Purchaser Mortgage Receivables Purchase Agreement be obliged to pay the amount involved to the Asset Purchaser or the Security Trustee, as the case may be. If the proceeds are paid to a Seller and this Seller does not pay the amount involved to the Asset Purchaser or the Security Trustee, as the case may be, for example in the case of bankruptcy of the Seller, or if the proceeds are paid to

another beneficiary instead of the Asset Purchaser or the Security Trustee, as the case may be, this may result in the amount paid under the Insurance Policies not being applied in reduction of the Relevant Mortgage Receivable. This may lead to the Borrower invoking set-off or defences against the Asset Purchaser or the Security Trustee, as the case may be, for the amounts so received by the relevant Seller or another beneficiary, as the case may be.

Accordingly, the Asset Purchaser's rights and the Security Trustee's rights as pledgee in respect of insurance policies containing a beneficiary clause or a payment instruction in favour of the relevant Seller may be subject to limitations under Dutch insolvency law, which may, in turn, lead to losses under the IC Loans and, consequently, to losses under the Notes.

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

Under the Life Mortgage Loans and the Savings Mortgage Loans the relevant Seller has the benefit of rights under Insurance Policies. Under the Insurance Policies the Borrowers pay premium consisting of a risk element and a savings or investment element. The intention is that at maturity of the Mortgage Loan, the proceeds of the savings or investments can be used to repay the Mortgage Loan, whether in full or in part. If any of Insurance Companies is no longer able to meet its obligations under the Insurance Policies, for example as a result of bankruptcy or having become subject to emergency regulations, this could result in the amounts payable under the Insurance Policies either not or only partly being available for application in reduction of the relevant Mortgage Receivables. This may lead to the Borrowers trying to assert set-off rights and defences which may have the result that the Mortgage Receivables will be, fully or partially, extinguished ("*teniet gaan*"), which could lead to losses under the Notes. The risk described herein does not apply to Annuity Mortgage Loans, Linear Mortgage Loans and Interest-only Mortgage Loans.

In some, but not all of the conditions applicable to the Mortgage Loans the Borrowers have waived their set-off rights, but it is uncertain whether such waiver is effective. If the waiver is not effective or the conditions applicable to the Mortgage Loans do not contain a waiver of set-off rights, the Borrowers will in order to assert a right of set-off, need to comply with the applicable legal requirements for set-off. One of these requirements is that the Borrower should have a claim, which corresponds to its debt to the same counterparty. The Insurance Policies are contracts between the relevant Insurance Company and the Borrowers and the Mortgage Loans are contracts between the relevant Seller and the Borrowers. Therefore, in order to assert a right of set-off the Borrowers would have to establish that the relevant Seller and the relevant Insurance Company should be regarded as one legal entity, which on the basis of current case law would be unlikely, or, possibly, based upon interpretation of case law, that set-off is allowed, even if the relevant Seller and the Insurance Companies are not considered as one legal entity, since the Insurance Policies and the Mortgage Loans might be regarded as one inter-related legal relationship.

Furthermore, the Borrowers should have a counterclaim which is enforceable. If the relevant Insurance Company is declared bankrupt or subject to emergency regulations, the Borrower will have the right to unilaterally terminate the Insurance Policy and to receive a commutation payment ("*afkoopsom*"). These rights are subject to the Borrower Insurance Pledge (see above). It may be argued that the Borrower will on this basis not be entitled to assert a right of set-off for the commutation payment vis-à-vis the relevant Seller. However, apart from the right to terminate the Insurance Policies, the Borrowers may have the right to dissolve the Insurance Policies and may assert a right of set-off vis-à-vis the relevant Seller for its claim for restitution of premiums paid and/or supplementary damages. It is uncertain whether such claim is subject to the Borrower Insurance Pledge. If not, the Borrower Insurance Pledge would not obstruct a right of set-off in respect of such claim by a Borrower.

Set-off vis-à-vis the Asset Purchaser after notification of the assignment (or the Security Trustee after notification of the pledge) would be subject to the additional requirements for set-off after assignment being met (see *Set-off by Borrowers may affect the proceeds under the Mortgage Receivables*). The Issuer has been advised that (one of) these requirements is likely to be met, since it is likely that the Mortgage Loans and the Insurance Policies are to be regarded as one legal relationship, except in the case of certain Life Mortgage Loans granted by a Seller (other than Direktbank N.V., to the extent relating to Life Mortgage Loans to which a Life Insurance Policy is connected that have been sold by

Direktbank N.V.'s legal predecessor Fortis Hypotheek Bank N.V. or originated under the name *ASR Woninghypotheek*) to which a Life Insurance Policy with an Insurance Company, which at the time of origination of the Mortgage Loans was not a group company of the relevant Seller, is connected. If the Mortgage Loan and the Insurance Policy is regarded as one legal relationship the assignment of the Mortgage Receivables will not interfere with the set-off.

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

#### *Life Mortgage Loans*

In respect of Life Mortgage Loans originated by Direktbank N.V.'s legal predecessor Fortis Hypotheek Bank N.V. or originated by Direktbank N.V. under the name *ASR Woninghypotheek* to which Life Insurance Policies with ASR Levensverzekering N.V. are connected, the Issuer has been advised that, in view of the factual circumstances involved, the possibility cannot be disregarded that the courts will honour set-off or defences by Borrowers, as described above, if in case of bankruptcy or emergency regulations of ASR Levensverzekering N.V. the Borrowers/insured will not be able to recover their claims under their Life Insurance Policies.

Each Seller (other than Direktbank N.V., to the extent relating to Life Mortgage Loans to which a Life insurance Policy is connected that have been sold by Direktbank N.V.'s legal predecessor Fortis Hypotheek Bank N.V. or originated under the name *ASR Woninghypotheek* as referred to in the preceding paragraph) has represented that in respect of the Life Mortgage Loans to which a Life Insurance Policy is connected with an Insurance Company which is not a group company of the relevant Seller, the Life Mortgage Loans and the Life Insurance Policy are not offered as one product under one name, and the Borrowers are free to choose the relevant Insurance Company. The Issuer has been advised that in these cases it is unlikely that a court would honour set-off or defences of the Borrowers as described above. However, if the relevant Insurance Company was, at the time of origination of the Life Mortgage Loan, a group company of the relevant Seller, the Issuer has been advised that in the case of these Life Mortgage Loans the possibility cannot be disregarded that the courts will honour set-off or defences by the Borrower.

#### *Hybrid Mortgage Loans*

In respect of Hybrid Mortgage Loans, the Issuer has been advised that the risk that such a set-off or defence would be successful is comparable to the risk in case of Savings Mortgage Loans, since under Life Insurance Policies connected to Hybrid Mortgage Loans (part of) the premium can be invested in a savings fund and in such manner a Savings Insurance Policy is "imitated". For the risk of set-off or defences involved in Savings Mortgage Loans reference is made to the following paragraph. The Asset Purchaser Insurance Savings Participation Agreements do not apply to Hybrid Mortgage Loans, except if and to the extent that Savings Premium is deposited or accumulated in a savings part of the Savings Investment Insurance Policy connected thereto, other than Hybrid Mortgage Loans, and consequently, the protection afforded by the Asset Purchaser Insurance Savings Participation

Agreement does not apply to these Hybrid Mortgage Loans.

#### *Savings Mortgage Loans*

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

In respect of the Savings Mortgage Loans and the Hybrid Mortgage Loans, Asset Purchaser Insurance Savings Participation Agreements have been entered into with the relevant Insurance Savings Participants. Each Asset Purchaser Insurance Savings Participation Agreement provides that in case a Borrower invokes a defence, including but not limited to a right of set-off or a counterclaim against any person in respect of the relevant Savings Mortgage Receivable or Hybrid Mortgage Receivable based upon a default in the performance, whether in whole or in part, by the relevant Insurance Savings Participant or the relevant Insurance Company, as applicable, or, for whatever reason, the relevant Insurance Savings Participant or the relevant Insurance Company, as applicable, does not pay the insurance proceeds when due and payable, whether in full or in part, under the relevant Savings Insurance Policy or Savings Investment Insurance Policy and, as a consequence thereof, the Asset Purchaser will not have received any amount in respect of such Savings Mortgage Receivable or Hybrid Mortgage Receivable, which was outstanding prior to such event, the Insurance Savings Participation of the relevant Insurance Savings Participant will be reduced by an amount equal to the amount which the Asset Purchaser has failed to receive as a result of such defence. The amount of the Insurance Savings Participation is equal to the amount of Savings Premia received by the Asset Purchaser plus the accrued yield on such amount (see section 7.6 (*Asset Purchaser Participation Agreements*)), provided that each Insurance Savings Participant will have paid all amounts due under the relevant Asset Purchaser Insurance Savings Participation Agreement to the Asset Purchaser. Therefore, normally the Asset Purchaser would not suffer any damages if the Borrower would assert any such right of set-off or defence, if and to the extent that the amount for which the Borrower would assert set-off or defences does not exceed the amount of the Insurance Savings Participation. The amount for which the Borrower can assert set-off or defences may, depending on the circumstances, exceed the amount of the Insurance Savings Participation. The remaining risk will be that if and to the extent that the amount for which a Borrower successfully invokes set-off or defences would exceed the Insurance Savings Participation, such set-off or defences could lead to losses under the IC Loans and, consequently, to losses under the Notes.

In respect of part of the Savings Mortgage Loans and Hybrid Mortgage Loans, the relevant Seller, instead of the relevant Insurance Companies, act as Insurance Savings Participant. Each Seller acting as Insurance Savings Participant has agreed to pay all amounts scheduled to be received by the relevant Insurance Companies as Savings Premia to the Asset Purchaser under the relevant Asset Purchaser Insurance Savings Participation Agreement. The Issuer has been advised that if a Seller acting as Insurance Savings Participant no longer pays these Savings Premia to the Asset Purchaser (for instance, in case such Seller is declared bankrupt or subject to suspension of payments or emergency regulations), whereas the Borrowers continue to pay under the relevant Savings Insurance Policies or Savings Investment Insurance Policies, as the case may be, for such Savings Premia paid by the Borrowers the protection afforded by the Asset Purchaser Insurance Savings Participation Agreement against the risk of set-off or defences (as described above) no longer applies to the relevant Savings Mortgage Loans and Hybrid Mortgage Loans.

In view of the above, the Issuer may be unable to enforce fully its claims against the relevant Borrowers in respect of Mortgage Loans and therefore may be unable to meet fully and/or timely its payment obligations to Noteholders.

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

The Sellers have represented that under the Investment Mortgage Loans the securities are purchased by a bankruptcy remote securities giro ("*effectengiro*"), a bank or an investment firm ("*beleggingsonderneming*") for the account of the Borrowers and that these securities are held in custody by an admitted institution of Euroclear Netherlands if these securities qualify as securities as defined in the Dutch Securities Giro Transfer Act ("*Wet giraal effectenverkeer*") or, if they do not

qualify as such, by a separate depository vehicle. The Issuer has been advised that on the basis of this representation the relevant investments should be effectuated on a bankruptcy remote basis and that, in respect of these investments, the risk of set-off or defences by the Borrowers should not become relevant in this respect. However, if this is not the case and the investments were to be lost, this may lead to the Borrowers trying to invoke set-off rights or defences against the Asset Purchaser on similar grounds as discussed under *Risk of Set-off and defences by Borrowers in case of insolvency of Insurance Companies*.

#### **Risk related to savings accounts**

Under the Investment Mortgage Loans sold by Direktbank N.V. or its legal predecessor Fortis Hypotheek Bank N.V. the Borrowers may transfer certain amounts to a savings account held with ASR Bank N.V. If ASR Bank N.V. was no longer able to repay (part of) any funds deposited by a Borrower on such a savings account in connection with an Investment Mortgage Loan, e.g. in case it was declared bankrupt or subject to emergency regulations, this would have the result that such funds would not be available for application in reduction of the relevant Mortgage Receivable. This may lead to the Borrowers trying to assert set-off rights or defences against the Asset Purchaser on similar grounds as discussed under *Risk of Set-off and defences by Borrowers in case of insolvency of Insurance Companies*.

#### **Risks related to maturity of Mortgage Loans**

The conditions applicable to some of the Mortgage Loans do not provide for a maturity date. The Borrower is only obliged to repay the principal sum of the Mortgage Loan (or the relevant loan-part) in certain events provided for in the applicable general terms and conditions. One of these events is death of a Borrower. It is uncertain whether any of the other events will occur and, consequently, it is possible that Mortgage Loans will only become due and repayable upon death of a Borrower.

#### **Risk related to the value of investments under Investment Mortgage Loans or Unit-Linked Life Insurance Policies**

The value of investments made under the Investment Mortgage Loans or by the relevant Insurance Company under the Unit-Linked Life Insurance Policies, may not be sufficient for the Borrower to fully redeem the related Mortgage Receivables at its maturity.

#### **Risks related to offering of Investment Mortgage Loans, Hybrid Mortgage Loans with Savings Investment Insurance Policies connected to them and Life Mortgage Loans with unit-linked Life Insurance Policies connected to them**

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, Hybrid Mortgage Loans to which Savings Investment Insurance Policies are connected and Life Mortgage Loans to which unit-linked Life Insurance Policies are connected. In addition, several codes of conduct apply on a voluntary basis. On the basis of these provisions offerors of these products (and intermediaries) have a duty, *inter alia*, to provide the customers with accurate, complete and non-misleading information about the product, the costs and the risks involved. These requirements have become more strict over time. A breach of these requirements may lead to a claim for damages from the customer on the basis of breach of contract or tort or the relevant contract may be dissolved ("*ontbonden*") or nullified ("*vernietigen*") or a Borrower may claim set-off or defences against the relevant Seller or the Asset Purchaser (or the Security Trustee). The merits of such claims will, to a large extent, depend on the manner in which the product was marketed and the promotional material and offer letters ("*offertes*") 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, Hybrid Insurance Policies or unit-linked Life Insurance Policies is not sufficient to redeem the relevant Mortgage Loans.

Since 2006, an issue has arisen in the Netherlands regarding the costs of investment insurance policies ("*beleggingsverzekeringen*"), such as the unit-linked Life Insurance Policies or Savings Investment Insurance Policies, commonly known as the "usury insurancepolicy affair" ("*woekerpolisaffaire*"). It is generally alleged that the costs of these products are disproportionately high, that in some cases a legal basis for such costs is lacking and that the information provided to the

insured regarding these costs has not been transparent. On this topic there have been (i) several reports, including reports from the AFM, (ii) a letter from the Minister of Finance to Parliament and (iii) a recommendation, at the request of the Minister of Finance, by the Financial Services Ombudsman to insurers to compensate customers of investment insurance policies for costs exceeding a certain level. Furthermore, there have been press articles stating (i) that individual law suits and class actions may be, and have been, started against individual insurers and (ii) that certain individual insurers have reached agreement with claimant organisations on compensation of its customers for the costs of investment insurance policies entered into with the relevant insurer. The discussion on the costs of the investment insurance policies is currently still continuing, since consumer tv-shows and "no-win, no fee" legal advisors argue that the agreements reached with claimant organisations do not offer adequate compensation. Rulings of courts and the Complaint Institute for Financial Services ("*Klachteninstituut Financiële Dienstverlening*") have been published, some of which are still subject to appeal, which were generally favourable for consumers.

If Unit-Linked Life Insurance Policies or Savings Investment Insurance Policies related to the Mortgage Loans would for the reasons described in this paragraph be dissolved or nullified, this will affect the collateral granted to secure these Mortgage Loans (the Borrower Insurance Pledges and the Beneficiary Rights would cease to exist). The Issuer has been advised that in such case the Mortgage Loans connected thereto can possibly also be dissolved or nullified, but that this will depend on the particular circumstances involved. Even if the Mortgage Loan is not affected, the Borrower/insured may invoke set-off or other defences against the Asset Purchaser and/or the Security Trustee. The analysis in that situation is similar to the situation in case of insolvency of the insurer (see *Risk of set-off and defences by Borrowers in case of insolvency of Insurance Companies*), except if the relevant Seller is itself liable, whether jointly with the insurer or separately, vis-à-vis the Borrower/insured. In this situation, which may depend on the involvement of the relevant Seller in the marketing and sale of the insurance policy, set-off or defences against the Asset Purchaser could be invoked, which will probably only become relevant if the insurer and/or the relevant Seller will not indemnify the Borrower. Any such set-off or defences may lead to losses under the Notes.

#### **Risk related to the Asset Purchaser Construction Deposits being set-off with the Mortgage Receivable**

Pursuant to the Mortgage Conditions of each Seller, the Borrowers have the right to request to withhold an Asset Purchaser Construction Deposit on deposit. Such amount will be paid out in case certain conditions are met.

If a Seller is unable to pay the relevant amounts to the Borrowers, the Borrowers may invoke defences or set-off such amounts with their payment obligations under the Relevant Mortgage Loans. This risk may be mitigated as follows. The Asset Purchaser and the Sellers have agreed in the Asset Purchaser Mortgage Receivables Purchase Agreement that the Asset Purchaser will be entitled to withhold from the relevant Initial Purchase Price an amount equal to the aggregate Asset Purchaser Construction Deposits. Such amount will be deposited on the Asset Purchaser Construction Deposit Account. On each Notes Payment Date, the Asset Purchaser will release from the Asset Purchaser Construction Deposit Account such part of the Initial Purchase Price which equals the difference between the aggregate Asset Purchaser Construction Deposits relating to the Relevant Mortgage Receivables and the balance standing to the credit of the Asset Purchaser Construction Deposit Account and pay such amount to the relevant Seller, except if and to the extent that the Borrower has invoked defences or set-off.

Asset Purchaser Construction Deposits have to be paid out after the building activities or renovation activities have been finalised. Upon the expiry of such period, the remaining Asset Purchaser Construction Deposit will be set off against the Relevant Mortgage Receivable up to the amount of the Asset Purchaser Construction Deposit, in which case the Asset Purchaser shall have no further obligation towards the relevant Seller to pay the remaining part of the relevant Initial Purchase Price, and consequently any remaining part of the amounts of the Asset Purchaser Construction Deposit Account will form part of the Asset Purchaser Available Principal Funds. If an Asset Purchaser Assignment Notification Event set out under (e) (see section 7.1 (*Purchase, repurchase and sale*)) has occurred, the Asset Purchaser will no longer be under the obligation to pay such remaining part of the relevant Initial Purchase Price. The amount for which the Borrower can invoke set-off or defences

may, depending on the circumstances, exceed the amount of the Asset Purchaser Construction Deposit. Therefore, the remaining risk is that, if and to the extent that the amount for which a Borrower successfully invokes a set-off or defences exceeds the relevant Asset Purchaser Construction Deposit, such set-off or defence may lead to losses under the corresponding Mortgage Receivables, which would reduce the amounts available for payment under the IC Loans and consequently, to Noteholders.

#### **Risks related to Revolving Credit Mortgage Loans**

Certain Mortgage Loans originated by ABN AMRO Bank N.V. (or its legal predecessor Fortis Bank (Nederland) N.V.) and Direktbank N.V. are in the form of a Revolving Credit Mortgage Loan. Under a Revolving Credit Mortgage Loan the Borrower may make drawings up to the agreed maximum amount and may repay any part of the loan at any time. The Issuer has been advised that based on case law and legal literature the balances resulting from and/or the claims administered in Revolving Credit Mortgage Loans should be capable of being assigned and pledged.

Under Dutch law it is possible to validly assign or create a valid right of pledge on receivables without notification to the Borrower, provided that the receivable (i) already exists at the time of the assignment or the right of pledge is established or (ii) will be directly acquired pursuant to a legal relationship already existing at that time. The Issuer has been advised that an undisclosed assignment or pledge in advance of claims arisen out of future drawings of the Borrower under a revolving credit facility might not result from a legal relationship already existing at that time. Advances under a Revolving Credit Mortgage Loan may not automatically be transferred on the date these come into existence. In view hereof, in respect of Revolving Credit Mortgage Loans each of ABN AMRO Bank N.V. and Direktbank N.V. will in the Asset Purchaser Mortgage Receivables Purchase Agreement agree to transfer on each Monthly Payment Date or on each Mortgage Collection Payment Date the Outstanding Principal Amount of each Revolving Credit Mortgage Loan at such time.

Under a Revolving Credit Mortgage Loan each of ABN AMRO Bank N.V. and Direktbank N.V. is, in principle, obliged to comply with any drawing request of a Borrower up to the maximum amount agreed. If ABN AMRO Bank N.V. or Direktbank N.V., as applicable, is unable to comply with such request, it may be held liable for damages the Borrower incurs as a result of not being able to draw the amount under such conditions. Prior to notification of the assignment of the Mortgage Receivable the relevant Borrower will have the right to set off the amount of such damages with its payments obligations under the relevant Mortgage Loan. After notification of the assignment of the Mortgage Receivable the Borrower may also be allowed to set off the amount of such damages with its payments obligations under the relevant Mortgage Loan to the Asset Purchaser, because such damages are likely to result from the same legal relationship as the Mortgage Loan (see further *Set-off by Borrowers may affect the proceeds under the Mortgage Receivables*). In order to mitigate this risk each of ABN AMRO Bank N.V. and Direktbank N.V. undertake in the Asset Purchaser Mortgage Receivables Purchase Agreement upon the occurrence of an Asset Purchaser Assignment Notification Event to either, at its option, (a) repurchase all Revolving Credit Mortgage Receivables or (b) terminate all existing Revolving Credit Mortgage Loans in respect of the Available Credit Facility under such Revolving Credit Mortgage Loans and to enter into new revolving credit facility agreements with the relevant Borrowers. For such termination the cooperation of the Borrowers will be required and it is uncertain whether such cooperation will be forthcoming. If such a new revolving credit facility agreement has been entered into, the Issuer has been advised that a good argument can be made that any drawings thereunder do not result from the same legal relationship as the Mortgage Loan. If this argument is followed, one possible ground for set-off vis-à-vis the Asset Purchaser after assignment and notification would no longer be available (see *Set-off by Borrowers may affect the proceeds under the Mortgage Receivables*).

In some cases the Borrower may have agreed up-front not to pay interest under its Revolving Credit Mortgage Loan and that the interest not paid will be debited to in the balance of the Revolving Credit Mortgage Loan up to a certain maximum amount. The Issuer has been informed that ABN AMRO Bank N.V. or Direktbank N.V., as the case may be, will in such case pay an amount equal to the increase of the Revolving Credit Mortgage Loan resulting from the debiting of the interest, which is equal to the interest that would have been paid by the Borrower to ABN AMRO Bank N.V. or



Direktbank N.V., as the case may be, if such amount was not debited to the balance of the Revolving Credit Mortgage Loan, to the Asset Purchaser, as interest received as part of the Asset Purchaser Available Revenue Funds. The increase of the Revolving Credit Mortgage Loan, will be treated as a Further Advance.

#### **Risk relating to Further Advances**

Part of the Mortgage Receivables sold and assigned to the Asset Purchaser relate to Mortgage Loans which have been originated by group companies of ABN AMRO Bank N.V. (or its legal predecessor Fortis Bank (Nederland) N.V.) which have subsequently merged into ABN AMRO Bank N.V. (either directly or indirectly through its predecessors) or originated by other Originators, including in the case of Quion 9 B.V. by another lender forming part of the Quion generic funding system, and subsequently transferred (by way of transfer ("*contractsoverneming*") assignment or otherwise) to the relevant Seller. The Issuer has been advised that in case of such merger or transfer (other than by means of assignment) it is not certain whether any Further Advances granted, or to be granted, by the relevant Seller after any such merger or transfer are validly secured by the mortgage right and borrower pledges vested in favour of the original lender (which in case of a merger has ceased to exist as a result of the merger). For this question it is relevant, *inter alia*, whether the Further Advance resulted from the same legal relationship as the Mortgage Loan or whether it constitutes a new legal relationship. In case a Mortgage Receivable is assigned by the Originator to the relevant Seller, a Further Advances will only be validly secured if it is granted by the Originator (and not the Seller) and subsequently assigned to such Seller.

The mortgage deed used by Oosteroever Hypotheken B.V. and Quion 9 B.V. from 2002 to 2008 stipulates that the mortgage right and the rights of pledge secure the principal sum of the Mortgage Loan and, furthermore, all other amounts which the Borrower owes or may at any time owe to the relevant Seller pursuant to the loan ("*geldlening*"), as defined in the general conditions applicable to the mortgage deed. These general conditions define the loan as the loan agreement or the credit agreement, including any offer letters, whether entered into or to be entered into and, thus do not give much guidance as to whether also Further Advances are secured. The general conditions, however, include a provision on the drawing of further advances for which no additional mortgage right or right of pledge is required to be vested. The Issuer has been advised that, based upon case law, when interpreting the relevant provision in the mortgage deed the meaning of the parties ("*partijbedoeling*") will be decisive, which should be based upon the wording of the deed according to objective criteria and that when interpreting the wording of the mortgage deed, the general conditions, which are referred to in the mortgage deed may be taken into account assuming that the general conditions are accessible ("*kenbaar*") by third parties. The Issuer has been advised that on this basis a reasonable interpretation of such deed, read in conjunction with the general conditions applicable thereto, is that the mortgage right and the right of pledge granted therein secure also Further Advances granted to a Borrower, to the extent the Further Advance falls within the maximum principal sum secured by the mortgage deed.

If a Further Advance Receivable is not validly secured by a Mortgage, this could affect the ability of the Asset Purchaser to recover the Outstanding Principal Amount of such Further Advance Receivable. If it would be established that a Further Advance Receivable is not validly secured by a mortgage right, this constitutes a breach of the representations and warranties granted by the relevant Seller, resulting in an obligation of the relevant Seller to repurchase the relevant Further Advance Receivable.

Thus, the Asset Purchaser and the Security Trustee as pledgees may be unable to fully recover Further Advance Receivables relating to Mortgage Loans originated by group companies of the Sellers or third parties and transferred to the relevant Seller. In such circumstances, this could lead to losses under the IC Loans and, consequently, to losses under the Notes.

#### **The characteristics of the Mortgage Receivables may change from time to time**

There is no guarantee that the characteristics of any new Mortgage Receivables assigned to the Asset Purchaser will have the same characteristics as the Mortgage Receivables as of the first purchase, in particular, new Mortgage Loans may have different payment characteristics from the Mortgage Loans assigned to the Asset Purchaser as of the first purchase. If a new Seller accedes to the Programme, it is possible that new Mortgage Receivables sold by such Seller will not have the same characteristics

as the Mortgage Receivables sold prior to such date. The ultimate effect of this could be to delay or reduce the payments on the Notes or to increase the rate of repayment of the Notes.

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

Payments on the Mortgage Receivables are subject to credit, liquidity and interest rate risks. This may be due to, among other things, market interest rates, general economic conditions (including stable or declining housing prices), the financial standing of Borrowers and similar factors. Other factors such as loss of earnings, increasing household indebtedness, illness, divorce and other similar factors may lead to an increase in delinquencies and bankruptcy filings by Borrowers and could ultimately have an adverse impact on the ability of Borrowers to repay their Mortgage Loans. The ultimate effect of this could be to delay or reduce the payments on the Notes or to increase the rate of repayment of the Notes.

**Risk that interest rate reset rights will not follow Mortgage Receivables**

The Issuer has been advised that a good argument can be made that the right to reset the interest rate on the Mortgage Loans should be considered as an ancillary right and follows the Mortgage Receivables upon their assignment to the Asset Purchaser and the pledge to the Security Trustee. However, 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 Asset Purchaser or upon the pledge of the Mortgage Receivables to the Security Trustee, such assignee or pledgee will be bound by the contractual provisions relating to the reset of interest rates. If the interest reset right remains with the relevant Seller, the co-operation of the bankruptcy trustee (in bankruptcy) or administrator (in suspension of payments or emergency regulations) would be required to reset the interest rates. Losses on the Mortgage Receivables could lead to losses under the IC Loans and therefore to losses under the Notes.

**Risks of losses associated with declining values of Mortgaged Assets**

The security for the Notes created under the Asset Purchaser Mortgage Receivables Pledge Agreement may be affected by, among other things, a decline in the value of the Mortgaged Assets. No assurance can be given that values of the Mortgaged Assets have remained or will remain at the level at which they were on the date of origination of the related Mortgage Loans. For the consequences of the continuing negative economic developments for the Dutch residential housing and mortgage market, see section 6.2 (*Dutch residential mortgage market*). A decline in value of the Mortgaged Assets may result in losses to the relevant Noteholders if the security rights on the relevant Mortgaged Assets are required to be enforced. The relevant Seller will not be liable for any losses incurred by the Asset Purchaser in connection with the Mortgage Loans.

**Risk related to Intervention powers of DNB and the Minister of Finance**

The Wft contains far-reaching intervention powers of (i) DNB with regard to a bank or insurer and (ii) the Minister of Finance with regard to, inter alia, a bank or insurer. These powers include (amongst others) (i) powers for DNB with respect to a bank which it deems to be potentially in financial trouble, to procure that all or part of the deposits held with such bank and/or other assets and liabilities of such bank, are transferred, to a third party and (ii) extensive powers for the Minister of Finance to intervene at financial institutions if the Minister of Finance deems this necessary to safeguard the stability of the financial system. In order to increase the efficacy of these intervention powers, the Wft contains provisions restricting the ability of counterparties of a bank or insurer to invoke (i) certain contractual provisions (including disclosure obligations) without prior DNB consent or (ii) notification events, which are triggered by the the bank or insurer being the subject of certain events or measures pursuant to the Wft ("*gebeurtenis*") or being the subject of any similar event or measure under foreign law. There is therefore a risk that the enforceability of the rights and obligations of the parties to the Transaction Documents, including without limitation the Sellers, may be affected on the basis of the Wft, which may lead to losses under IC Loans and, consequently, to losses under the Notes.

**Changes to Dutch tax treatment of interest on Mortgage Loans may impose various risks**

The Netherlands tax system allows borrowers to deduct, subject to certain limitations, all mortgage interest payments for owner-occupied residences from their taxable income. There is currently a wide tendency within certain political parties in the Netherlands to end (part of) the favourable tax treatment

of mortgage debts or to introduce other changes to the tax treatment of such residences or the funding thereof that may affect the value of the tax deduction of mortgage interest payments (hereinafter: *"changes in tax treatment"*).

Pursuant to new legislation that is currently proposed to enter into force as from 1 January 2013, mortgage interest payments on mortgage loans obtained after 1 January 2013 will only be tax deductible if the relevant mortgage loan is required to be - and actually is - repaid in annual annuities during a maximum term of 30 years. The current Dutch government has announced further plans to limit the deductibility of interest on mortgage loans as from 2014; for both existing and new mortgage loans the maximum income tax rate against which interest payments may be deducted will be reduced with 0.5% per year from the maximum income tax rate of the fourth income tax band (currently 52%) to the income tax rate of the 38% in 2042.

Changes in tax treatment could ultimately have an adverse impact on the ability of Borrowers to pay interest and principal on their Mortgage Loans. In addition, changes in tax treatment may lead to increased (or decreased) prepayments by Borrowers on their Mortgage Loans. Finally, changes in tax treatment may have an adverse effect on the value of the Mortgaged Assets. However it is too early to predict what the implications of the current discussions on changes in tax treatment will be as the measures might be partly offset by other measures regarding the current taxation of housing or the tax system in general.

### 3. PRINCIPAL PARTIES

#### A. ISSUER

##### 3.1 Issuer

Dolphin Master Issuer B.V. was incorporated as a private company with limited liability ("*besloten vennootschap met beperkte aansprakelijkheid*") under Dutch law on 21 August 2007 under number B.V. 1450078. The corporate seat ("*statutaire zetel*") of the Issuer is in Amsterdam, the Netherlands. The registered office of the Issuer is at Frederik Roeskestraat 123, 1076 EE Amsterdam and its telephone number is +31 20 577 1177. The Issuer is registered with the Commercial Register of the Chamber of Commerce of Amsterdam under number 34281060.

The Issuer is a special purpose vehicle, which objectives are (a) to take up loans by way of issues of securities or by entering into loan agreements, (b) to invest or on-lend the funds referred to under (a) held by the Issuer, (c) to hedge interest rate and other financial risks, *inter alia*, by entering into derivative agreements, such as swaps and options, (d) if incidental to the foregoing, to take up loans by way of issue of securities or by entering its loan agreements, *inter alia*, to repay the amount due under the securities and loans referred to under (a), and to grant security rights and (e) to perform all activities which are incidental to or which may be conducive to any of the foregoing.

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

Stichting Holding Dolphin is a foundation ("*stichting*") incorporated under Dutch law on 15 August 2007. The objects of Stichting Holding Dolphin are, *inter alia*, to incorporate, acquire and to hold shares in the share capital of the Issuer and the Asset Purchaser and comparable companies and to exercise all rights attached to such shares and to dispose of and encumber such shares. The sole managing director of Stichting Holding Dolphin is ATC Management B.V.

##### **Statement by managing director of the Issuer**

Since the date of its last published financial statements, 31 December 2011, there has been no material adverse change in the financial position of the Issuer, although its prospects are adversely impacted by the continuing negative economic developments in general and their consequences for the Dutch residential housing and mortgage market (see section 6.3 (*Dutch residential mortgage market*)). The Issuer is not able to forecast the materiality of this adverse impact on its future financial position. There are no legal, arbitration or governmental proceedings which may have, or have had in the recent past, a significant effect on the Issuer's financial position or profitability nor, so far as the Issuer is aware, are any such proceedings pending or threatened.

The Issuer has the corporate power and capacity to issue Notes from time to time and to advance IC Loans to the Asset Purchaser from time to time and to enter into and perform its obligations under the Transaction Documents.

The sole managing director of the Issuer is ATC Management B.V. The managing directors of ATC Management B.V. are J.H. Scholts, R. Posthumus, R. Rosenboom, R. Langelaar, R. Arendsen and A.R. van der Veen. The managing directors of ATC Management B.V. have chosen domicile at the office address of ATC Management B.V., being Frederik Roeskestraat 123, 1076 EE Amsterdam. The sole shareholder of ATC Management B.V. is ATC Group B.V. ATC Management B.V. belongs to the same group of companies as Amsterdamsch Trustee's Kantoor B.V. which acts as director of the Security Trustee. It can therefore not entirely be excluded that a conflict of interest arises between the directors of the Issuer, the Asset Purchaser and/or the Security Trustee.

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

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

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

The financial year of the Issuer coincides with the calendar year. The financial statements of the Issuer are incorporated by reference (see section 8 (*General Information*)).

### 3.2 Shareholder

Stichting Holding Dolphin is a foundation ("*stichting*") incorporated under Dutch law on 15 August 2007. The objects of Stichting Dolphin are, *inter alia*, to incorporate, acquire and to hold shares in the share capital of the Issuer and the Asset Purchaser, to exercise all rights attached to such shares and to dispose of an encumber such shares in the Issuer. The sole managing director of Stichting Holding Dolphin is ATC Management B.V.

ATC Management B.V. is also the Director of the Issuer.

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

The Director of the Shareholder has entered into the Shareholder Management Agreement pursuant to which the Director agrees and undertakes to, *inter alia*, (i) manage the affairs of the Shareholder in accordance with proper and prudent Netherlands business practice and in accordance with the requirements of Dutch law and Netherlands accounting practices, and (ii) refrain from any action detrimental to the Issuer's ability to meet its obligations under any of the Transaction Documents.

### 3.3 Security Trustee

Stichting Security Trustee Dolphin is a foundation ("*stichting*") incorporated under Dutch law on 15 August 2007. It has its registered office in Amsterdam, the Netherlands.

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

The sole director of the Security Trustee is Amsterdamsch Trustee's Kantoor B.V., having its statutory seat and registered office in Amsterdam at Frederik Roeskestraat 123, 1076 EE in Amsterdam, the Netherlands. The managing directors of Amsterdamsch Trustee's Kantoor B.V. are D.P. Stolp and F.E.M. Kuypers. Amsterdamsch Trustee's Kantoor B.V. belongs to the same group of companies as ATC Management B.V., which acts as director of the Issuer, the Shareholder and the Asset Purchaser. Therefore, a conflict of interest may arise.

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

The Issuer Trust Deed provides that the Security Trustee shall not retire or be removed from its duties under the Issuer Trust Deed until all amounts payable to the Programme Secured Creditors under the Transaction Documents have been paid in full. However, the Noteholders of the Most Senior Class shall have the power, exercisable only by a Programme Resolution, to remove the Security Trustee Director as director of the Security Trustee. The management agreement with the Security Trustee Director may be terminated by the Security Trustee upon the occurrence of certain termination events, including, but not limited to, a default by the Security Trustee Director (unless remedied within the applicable grace period), dissolution and liquidation of the Security Trustee Director or the Security Trustee Director being declared bankrupt or granted a suspension of payments. Furthermore, the management agreement can be terminated by the Security Trustee Director or the Security Trustee per the end of each calendar year upon ninety (90) days prior written notice, provided that a Credit Rating Agency Confirmation in respect of each Credit Rating Agency is available in respect of such termination. The Security Trustee Director shall resign upon termination of the management agreement, provided that such resignation shall only be effective as from the moment (a) a new director reasonably acceptable to the Security Trustee has been appointed and (b) a Credit Rating Agency Confirmation in respect of each Credit Rating Agency is available in respect of such appointment.

### **3.4 Issuer Administrator**

The Issuer has appointed ABN AMRO Hypotheken Groep B.V. to act as its Issuer Administrator in accordance with the terms of the Issuer Administration Agreement.

For further information regarding ABN AMRO Hypotheken Groep B.V. see section 3.7 (*Sellers*).



### 3.5 Other Parties

<b>Issuer Account Bank:</b>	ABN AMRO Bank N.V.
<b>Directors:</b>	ATC Management B.V., the sole director of the Issuer and of Stichting Holding Dolphin and Amsterdamsch Trustee's Kantoor B.V., the sole director of the Security Trustee.
<b>Principal Paying Agent:</b>	BNP Paribas Securities Services, Luxembourg Branch
<b>Paying Agent:</b>	ABN AMRO Bank N.V.
<b>Reference Agent:</b>	ABN AMRO Bank N.V.
<b>Listing Agent:</b>	ABN AMRO Bank N.V.
<b>Arranger:</b>	ABN AMRO Bank N.V.
<b>Dealer:</b>	ABN AMRO Bank N.V.
<b>Issuer Currency Swap Counterparty:</b>	The relevant issuer currency swap counterparty as set out in the Applicable Final Terms.

## B. ASSET PURCHASER

### 3.6 Asset Purchaser

Dolphin Asset Purchasing B.V. was incorporated as a private company with limited liability ("*besloten vennootschap met beperkte aansprakelijkheid*") under Dutch law on 21 August 2007 under number B.V. 1450082. The corporate seat ("*statutaire zetel*") of Dolphin Asset Purchasing B.V. is in Amsterdam, the Netherlands. The registered office of Dolphin Asset Purchasing B.V. is at Frederik Roeskestraat 123, 1076 EE Amsterdam and its telephone number is +31 20 577 1177. Dolphin Asset Purchasing B.V. is registered with the Commercial Register of the Chamber of Commerce of Amsterdam under number 34281059.

On 12 December 2012 Dolphin Asset Purchasing B.V. (then named Dolphin Asset Purchasing AA B.V.) entered into a legal merger ("*juridische fusie*") as acquiring entity ("*verkrijgende vennootschap*") with Dolphin Asset Purchasing Direktbank B.V., Dolphin Asset Purchasing Direktbank 1 B.V., Dolphin Asset Purchasing Direktbank 2 B.V. and Dolphin Asset Purchasing Direktbank 3 B.V. as disappearing entities ("*verdwijnende vennootschappen*").

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

The Asset Purchaser has an authorised share capital of euro 90,000, of which euro 18,000 has been issued and is fully paid. All shares of the Asset Purchaser are held by Stichting Holding Dolphin.

#### **Statement by managing director of the Asset Purchaser**

Since the date of its last published financial statements, 31 December 2011, there has been no material adverse change in the financial position of the Asset Purchaser, although its prospects are adversely impacted by the continuing negative economic developments in general and their consequences for the Dutch residential housing and mortgage market (see section 6.2 (*Dutch residential mortgage market*)). The Asset Purchaser is not able to forecast the materiality of this adverse impact on its future financial position. There are no legal, arbitration or governmental proceedings which may have a significant effect on the Asset Purchaser's financial position or profitability nor, so far as the Asset Purchaser is aware, are any such proceedings pending or threatened against the Asset Purchaser.

The Asset Purchaser has the corporate power and capacity to take up loans from time to time and to acquire Mortgage Receivables from time to time and to enter into and perform its obligations under the Transaction Documents.

The sole managing director of the Asset Purchaser is ATC Management B.V. The managing directors of ATC Management B.V. are R. Posthumus, R. Rosenboom, R. Langelaar, A.R. van der Veen and R. Arendsen. The managing directors of ATC Management B.V. have chosen domicile at the office address of ATC Management B.V., being Frederik Roeskestraat 123, 1076 EE Amsterdam. The sole shareholder of ATC Management B.V. is ATC Group B.V. ATC Management B.V. belongs to the same group of companies as Amsterdamsch Trustee's Kantoor B.V., which acts as director of the Security Trustee.

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

The Asset Purchaser Director has entered into a management agreement with the entity of which it has been appointed managing director ("*statutair directeur*"). In this management agreement the Asset Purchaser Director agrees and undertakes, *inter alia*, that it shall (i) manage the affairs of the Asset Purchaser in accordance with proper and prudent Dutch business practice and in accordance with the same care that it exercises or would exercise in connection with the administration of similar matters held for its own account or for the account of third parties and (ii) refrain from taking any action detrimental to any of the Asset Purchaser's rights and obligations under any of the Transaction Documents. In addition the Asset Purchaser Director agrees in the relevant management agreement that it will not agree to any modification of any agreement including, but not limited to, the Transaction Documents, or enter into any agreement, other than in accordance with the Issuer Trust Deed and the other Transaction Documents.

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

The financial year of the Asset Purchaser coincides with the calendar year.

### 3.7 Sellers

The Sellers under the Programme are ABN AMRO Bank N.V., Direktbank N.V., Quion 9 B.V. and Oosteroever Hypotheken B.V. Direktbank N.V., Quion 9 B.V. and Oosteroever Hypotheken B.V. are direct or indirect subsidiaries of ABN AMRO Bank N.V.

#### **Incorporation ABN AMRO Bank N.V.**

ABN AMRO Bank N.V. is a public limited liability company ("*naamloze vennootschap*") incorporated under Dutch law on 9 April 2009 and registered in the Commercial Register of the Amsterdam Chamber of Commerce ("*Handelsregister van de Kamer van Koophandel en Fabrieken voor Amsterdam*") under number 34334259.

#### **History and recent developments**

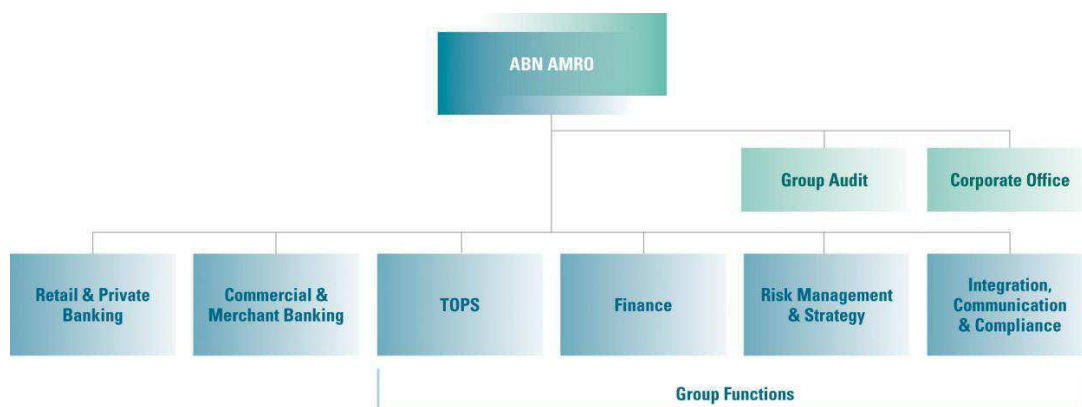
On 1 July 2010, a legal merger was effectuated between ABN AMRO Bank Standalone (ABN AMRO Bank N.V., in the period between 6 February 2010 and the Legal Merger) and Fortis Bank (Nederland) N.V. into a combined bank operating under the name ABN AMRO Bank N.V. (the 'Legal Merger'), a wholly-owned subsidiary of ABN AMRO Group N.V. At the Legal Merger ABN AMRO Bank Standalone was the surviving entity ("*verkrijgende vennootschap*") and Fortis Bank (Nederland) N.V. was the disappearing entity ("*verdwijvende vennootschap*"). Pursuant to the Legal Merger, the businesses that are now included in ABN AMRO Bank N.V. are a combination of the businesses of ABN AMRO Bank Standalone and the businesses of Fortis Bank (Nederland) N.V.

#### **Business overview**

ABN AMRO's organisational structure reflects its business structure since 1 July 2010. The organisation consists of the following units:

- Two client centres, *Retail & Private Banking* (R&PB) and *Commercial & Merchant Banking* (C&MB); and
- Group Functions, consisting of *Technology, Operations & Property Services* (TOPS), *Finance*, *Risk Management & Strategy* (RM&S) and *Integration, Communication & Compliance* (ICC).

Retail & Private Banking (R&PB) consists of Retail Banking, Private Banking Netherlands and Private Banking International, each of which serves a different client base with a tailored business proposition. This paragraph focuses on ABN AMRO's mortgage business, which is part of Retail Banking. The other parts of Retail & Private Banking (R&PB) and the unit C&MB and Group Functions will not be further described in this chapter.



#### **Retail Banking**

Retail Banking offers Mass Retail and Preferred Banking<sup>1</sup> clients a wide variety of banking, loan and insurance products and services through the branch network, online, via Advice & Service centers, via intermediaries and through subsidiaries. The majority of the loan portfolio of Retail Banking consists of residential mortgages.

### Mortgage loans

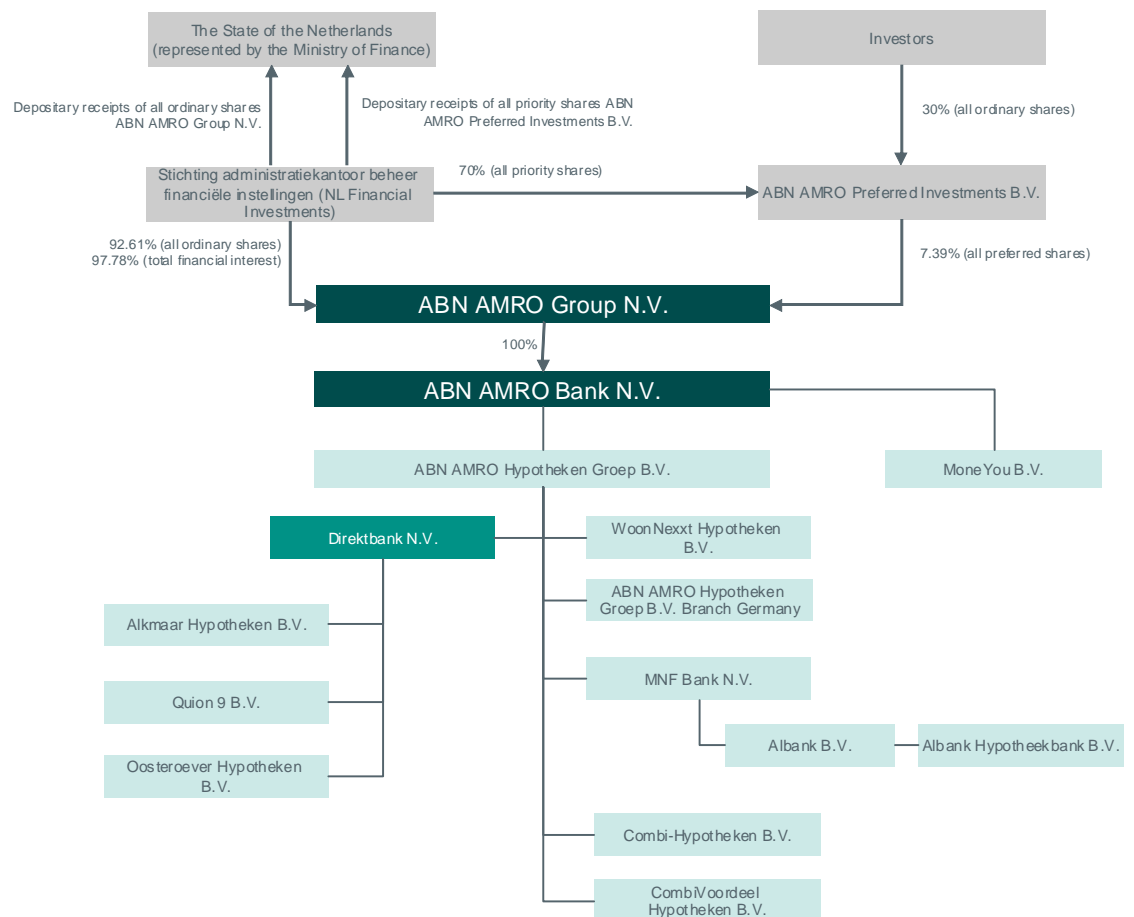
The Dutch residential mortgage loan market is a competitive and mature market that is increasingly influenced by rules and regulations for credit policy, cost transparency and remuneration of intermediaries. ABN AMRO offers mortgage loans in the Netherlands under various brands, ensuring flexibility and free choice for clients. The bank mainly offers mortgage loans under the brands ABN AMRO (main brand), Florius (focused on intermediaries) and MoneYou (online). ABN AMRO also offers private and white labelled products to large intermediaries and insurance companies. ABN AMRO has the second position in savings and new mortgage loan origination<sup>1</sup>.

Subsidiaries related to the offering of residential mortgage loans

The following subsidiaries of ABN AMRO are related to the offering of mortgage loans in Retail Banking:

### GLOBAL STRUCTURE ABN AMRO as at 11 December 2012

(Not limitative / summary)



<sup>1</sup> Source: CBS (Dutch Statistical Office) and Kadaster (Dutch Land Registry)

- **Direktbank N.V.**

Direktbank N.V. (Direktbank) sells mortgage loans and service products and works exclusively with independent mortgage loan advisors. Direktbank is the result of a merger on 29 August 2010 between Direktbank and Fortis Hypotheek Bank N.V. following which Direktbank N.V. was the surviving entity and Fortis Hypotheek Bank N.V. was the disappearing entity. Direktbank N.V. is registered with the Gooi- en Eemland Trade Register under number 33026564 and has its office in Amersfoort. On 31 May 2011, Direktbank N.V. became a fully owned subsidiary of ABN AMRO Hypotheken Groep B.V. Direktbank N.V. sells mortgages through its subsidiaries Alkmaar Hypotheken B.V., Oosteroever Hypotheken B.V. and Quion 9 B.V.. In view of the last two subsidiaries also being Sellers under the Programme, Oosteroever Hypotheken B.V. and Quion 9 B.V. are further described below:

- **Oosteroever Hypotheken B.V.**

Commercial activities of Oosteroever Hypotheken B.V. started in 2004. Almost all (approximately 99%) residential mortgage loans originated by Oosteroever Hypotheken B.V. are offered through De Hypothekers Associatie, a franchise intermediary organisation registered with the AFM. The servicing of the residential mortgage loans is outsourced to subsidiaries of Quion Groep B.V. Oosteroever Hypotheken B.V. is registered with the Rotterdam Trade Register under number 33112834 and has its office in Capelle aan de IJssel.

- **Quion 9 B.V.**

Commercial activities of Quion 9 B.V. started in 1996. Quion 9 B.V.'s primary business is to originate residential mortgage loans to borrowers in the Netherlands through the Quion Groep B.V.'s generic funding model (see Quion Groep B.V.). The mortgage loans originated by Quion 9 B.V. are offered through intermediaries registered with the AFM. The servicing of mortgage loans is outsourced at subsidiaries of Quion Groep B.V. Quion 9 B.V. is registered with the Rotterdam Trade Register under number 24272135 and has its office in Capelle aan de IJssel.

- **ABN AMRO Hypotheken Groep B.V.**

ABN AMRO Hypotheken Groep B.V., a subsidiary of ABN AMRO Bank N.V. founded in January 2006, is the supplier of all ABN AMRO Bank N.V. labelled residential mortgage products while also being the legal and economic owner of the residential mortgage loan portfolios of its Florius brand and of its subsidiary MNF Bank NV and Woonnnext Hypotheken B.V. Product development, sales, marketing, risk management and collections are also conducted through ABN AMRO Hypotheken Groep B.V. For the avoidance of doubt, receivables related to mortgage loans originated by ABN AMRO Hypotheken Groep B.V. or its subsidiaries WoonNexxt Hypotheken B.V., ABN AMRO Hypotheken Groep B.V. Branch Germany, MNF Bank N.V., Albank B.V., Albank Hypotheekbank B.V., Combi Hypotheken B.V. en CombiVoordeel Hypotheken B.V. will not be sold and assigned to the Asset Purchasers under the Programme. On 31 May 2011 ABN AMRO Hypotheken Groep B.V. acquired the shares in Direktbank N.V..

- **MoneYou B.V.**

MoneYou B.V. is a wholly-owned subsidiary of ABN AMRO Bank N.V. and operates as an internet bank offering savings accounts to consumer and commercial clients as well as offering residential mortgage loans and consumer lending in the Netherlands and Germany.

#### **403-Declarations**

ABN AMRO Group N.V. has issued a statements of joint and several liability within the meaning of Article 403, subsection 1, paragraph f, Book 2 of the Dutch Civil Code ("*Burgerlijk Wetboek*") for debts resulting from legal acts of ABN AMRO Bank N.V., ABN AMRO Hypotheken Groep B.V., Direktbank N.V., Oosteroever Hypotheken B.V. and Quion 9 B.V. Pursuant to these declarations, ABN AMRO Group N.V. is jointly and severally liable with ABN AMRO Bank N.V., ABN AMRO Hypotheken Groep B.V., Direktbank N.V., Oosteroever Hypotheken B.V. and Quion 9 B.V. for debts resulting from legal acts of these entities.

In addition, ABN AMRO Bank N.V. has issued statements of joint and several liability within the meaning of Article 403, subsection 1, paragraph f, Book 2 of the Dutch Civil Code for debts resulting from legal acts of Direktbank N.V., Oosteroever Hypotheken B.V. or Quion 9 B.V., as applicable pursuant to the 403-Declarations. See also section 2 (Risk Factors, Risk of withdrawal of, and

termination of liability under, the 403-Declarations).

### **3.8 Servicer**

The Asset Purchaser has appointed ABN AMRO Hypotheken Groep B.V. to act as its Servicer in accordance with the terms of the Asset Purchaser Servicing Agreement.

For further information regarding ABN AMRO Hypotheken Groep B.V. see section 3.7 (*Sellers*).



### **3.9 Asset Purchaser Administrator**

The Asset Purchaser has appointed ABN AMRO Hypotheken Groep B.V. to act as its Asset Purchaser Administrator in accordance with the terms of the Asset Purchaser Administration Agreement.

For further information regarding ABN AMRO Hypotheken Groep B.V. see section 3.7 (*Sellers*).

### 3.10 Other Parties

<b>Asset Purchaser Swap Counterparty:</b>	ABN AMRO Bank N.V.
<b>Asset Purchaser Account Bank:</b>	ABN AMRO Bank N.V.
<b>Insurance Savings Participants:</b>	(i) ASR Levensverzekering N.V. in respect of Savings Mortgage Receivables and Hybrid Mortgage Receivables to which a Savings Insurance Policy or a Savings Investment Insurance Policy is connected with ASR Levensverzekering N.V. and (ii) in respect of all other Savings Mortgage Receivables and Hybrid Mortgage Receivables, the relevant Seller which has sold the relevant Savings Mortgage Receivable or Hybrid Savings Mortgage Receivables, as applicable.
<b>Bank Savings Participants:</b>	(i) ABN AMRO Bank N.V. in respect of Bank Savings Mortgage Loans sold and assigned by ABN AMRO Bank N.V. and (ii) Direktbank N.V. in respect of Bank Savings Mortgage Loans sold and assigned by Direktbank N.V.
<b>Director:</b>	ATC Management B.V., the sole director of the Asset Purchaser
<b>403-Guarantors:</b>	ABN AMRO Bank N.V. in respect of debts resulting from legal acts of Direktbank N.V., Oosteroever Hypotheken B.V. and Quion 9 B.V. and ABN AMRO Group N.V. in respect of debts resulting from legal acts of ABN AMRO Bank N.V., ABN AMRO Hypotheken Groep B.V., Direktbank N.V., Oosteroever Hypotheken B.V. and Quion 9 B.V.

## 4. NOTES

### 4.1 Terms and Conditions

The following are the Conditions, and any reference to a 'Condition' shall be construed accordingly (and in respect of each Note, as these may be amended by the Applicable Final Terms of the Notes) in the form (subject to amendment) which will be incorporated by reference into each Global Note and each Definitive Note and such Definitive Note will have endorsed thereon or attached thereto such Conditions. The Applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and Definitive Note. The Conditions applicable to each Note are the terms and conditions of the Notes (applicable for the relevant period) attached as Schedule 5 to the Issuer Trust Deed.

References herein to the 'Notes' shall, unless the context otherwise requires, be references to all the Notes issued by the Issuer and shall mean:

- (i) any Global Notes; and
- (ii) any Definitive Notes issued in exchange for a Global Note.

Notes are issued in Series and each Series comprises one or more Classes of Notes. Each Series and Class may have two or more Sub-classes. Each Series of Notes is subject to Final Terms. The Final Terms in relation to each Series and Class of Notes or Sub-class thereof (or the relevant provisions thereof) will be endorsed upon, or attached to, such Notes and will supplement these Conditions in respect of such Notes and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify these Conditions for the purpose of such Notes.

References herein to a 'Series and Class' of Notes refer to a particular Class of Notes of a given Series.

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Issuer Trust Deed, the Paying Agency Agreement, the Issuer Parallel Debt Agreement, the Asset Purchaser Trust Agreement and the Pledge Agreements.

The holders of any Notes are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of, and definitions contained or incorporated in, the Issuer Trust Deed, the Issuer Parallel Debt Agreement, the Asset Purchaser Trust Agreement, the Pledge Agreements, the Paying Agency Agreement, each of the other Transaction Documents and the Applicable Final Terms and to have notice of each other Final Terms relating to each other Series and Class of Notes. Copies of the Final Terms, the Issuer Trust Deed, the Paying Agency Agreement, the Issuer Parallel Debt Agreement, the Asset Purchaser Trust Agreement, the Pledge Agreements and each of the other Transaction Documents are available for inspection free of charge by holders of the Notes at the specified office of the Security Trustee, being at the date hereof Frederik Roeskestraat 123, 1hg, 1076 EE Amsterdam, the Netherlands.

References herein to the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders shall, in each case and unless specified otherwise, be references to the holders of the Notes of all Series of the applicable Class.

#### 1. Form, Denomination and Title

The Notes will be in bearer form, serially numbered with Coupons attached on issue and in such denominations as set forth in the Applicable Final Terms save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank or regulatory authority (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency and save that the minimum denomination of each Note will be € 100,000 (or if the Notes are denominated in a currency other than euro, the equivalent amount in such currency). 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) for any purposes, including payment and no person shall be liable for so treating such holder. The signatures on the Notes will be in facsimile.

## **2. Status, Relationship between the Notes and Security**

- (a) The Notes of each Class are direct and unconditional obligations of the Issuer and rank *pari passu* and rateably without any preference or priority among Notes of the same Class.
- (b) In accordance with these Conditions and the Issuer Trust Deed, certain payments to a Class or Classes of Notes rank subordinated (A) prior to the Enforcement Date (i) in respect of payments of interest on such Class or Classes of Notes to payments of interest on a higher ranking Class or Classes of Notes and (ii) in respect of payments of principal on such Class or Classes of Notes to payments of principal on a higher ranking Class or Classes of Notes and (B) after the Enforcement Date, in respect of payments of interest and principal together to interest and principal together on a higher ranking Class or Classes of Notes, in respect of both limbs (A) and (B) in the following order of priority starting at the top:
  - 1. Class A Notes;
  - 2. Class B Notes;
  - 3. Class C Notes;
  - 4. Class D Notes;
  - 5. Class E Notes.
- (c) The Security for the obligations of the Issuer towards the Noteholders will be created pursuant to, and on the terms set out in the Pledge Agreements, which will create the following security rights:
  - (i) by a first ranking right of pledge to the Security Trustee by the Asset Purchaser over (a) the Mortgage Receivables and (b) the Beneficiary Rights relating thereto;
  - (ii) by a first ranking right of pledge to the Security Trustee by the Asset Purchaser over the Asset Purchaser Rights; and
  - (iii) by a first ranking right of pledge to the Security Trustee by the Issuer over the Issuer Rights.
- (d) The obligations under the Notes will be secured (directly and/or indirectly) by the Security. The Class A Notes will rank in priority to the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes. The Class B Notes will rank in priority to the Class C Notes, the Class D Notes and the Class E Notes. The Class C Notes will rank in priority to the Class D Notes and the Class E Notes. The Class D Notes will rank in priority to the Class E Notes. The Issuer Trust Deed contains provisions requiring the Security Trustee to have regard to the interests of the Noteholders of a Class, or a Series and Class or Sub-class, each as a Class and not to consequences of such exercise upon individual Noteholders, as regards all powers, trust, authorities, duties and discretions of the Security Trustee (except where expressly provided otherwise). If, in the sole opinion of the Security Trustee, there is a conflict of interest between different Classes of Notes, the Security Trustee shall have regard only to the interests of the Higher Ranking Class of Notes. In addition, the Security Trustee shall have regard to the interests of the other Programme Secured Creditors, provided that in case of a conflict of interest between the Programme Secured Creditors the Post-Enforcement Priority of Payments determines which interest of which Programme Secured Creditor prevails.

## **3. Covenants of the Issuer**

So long as any of the Notes under the Programme remain outstanding, the Issuer shall carry out its business in accordance with proper and prudent Netherlands business practice and in accordance with the requirements of Dutch law and accounting practice and shall not, except (i) to the extent permitted by the Transaction Documents or (ii) with the prior written consent of the Security Trustee:

- (a) carry out any business other than as described in the Base Prospectus and as contemplated in the Transaction Documents;
- (b) incur any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness, except as contemplated by the Transaction Documents;
- (c) create or promise to create any mortgage, charge, pledge, lien or other security interest whatsoever over any of its assets, or use, invest, sell, transfer or otherwise dispose of any part of its assets, except as contemplated in the Transaction Documents;
- (d) consolidate or merge with any other person or convey or transfer its assets substantially or as an entirety to one or more persons;
- (e) permit the validity or effectiveness of the Transaction Documents, or the priority of the security created thereby or pursuant thereto to be amended, terminated, postponed or discharged, or permit any person whose obligations form part of such security rights to be released from such obligations or consent to any waiver except as contemplated in the Transaction Documents;
- (f) have any employees or premises or have any subsidiary or subsidiary undertaking;
- (g) have an interest in any bank account other than the Issuer Accounts or accounts to which collateral under an Issuer Currency Swap Agreement is transferred, unless all rights in relation to such account will have been pledged to the Security Trustee as provided in Condition 2(c)(iii); or
- (h) invest except as contemplated by the Transaction Documents.

#### **4. Interest**

##### *(I) Interest on Fixed Rate Notes*

##### *(a) Period of Accrual*

Fixed Rate Notes shall bear interest on their Principal Amount Outstanding from and including the relevant Issue Date. Each Fixed Rate Note (or in the case of the redemption of part only of a Note that part only of such Fixed Rate Note) shall cease to bear interest from its due date for redemption unless, upon due presentation payment of the relevant amount of principal or any part thereof is improperly withheld or refused. In such event, interest will continue to accrue thereon (before and after any judgment) at the rate applicable to such Note up to but excluding the date on which, on presentation of such Note, payment in full of the relevant amount of principal is made or (if earlier) the seventh day after notice is duly given by any of the Paying Agents to the holder thereof (in accordance with Condition 13) that upon presentation thereof, such Fixed Rate 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 Fixed Rate Note for any period, such interest shall be calculated (i) with respect to Fixed Rate Notes denominated in euro or Pound Sterling, on the basis of the actual number of days elapsed in the Fixed Rate Interest Period concerned divided by a year of three hundred and sixty five (365) days (or three hundred and sixty six (366) days if February 29<sup>th</sup> falls within the Fixed Rate Interest Period) ("*Actual / Actual-AFB*"), (ii) with respect to Fixed Rate Notes denominated in Japanese Yen or U.S. Dollar, on the basis of the number of days in the Interest Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months) (unless (i) the last day of the Interest Calculation Period is the 31st day of a month but the first day of the Interest Calculation Period is a day other than the 30th or the 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30- day month, or (ii) the last day of the Interest Calculation Period is the last day of

the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month) (" $30 / 360$ ") or (iii) as specified in the Applicable Final Terms as Day Count Fraction;

(b) *Fixed Rate Interest Periods and Fixed Rate Interest Payment Dates*

Up to (but excluding) the First Optional Redemption Date, interest on the Notes shall be payable by reference to successive Fixed Rate Interest Periods. Each "**Fixed Rate Interest Period**" will commence on (and include) a relevant Fixed Rate Interest Payment Date and end on (but exclude) the next succeeding Fixed Rate Interest Payment Date, except for the first Fixed Rate Interest Period, which will commence on (and include) the relevant Issue Date and end on the first Fixed Rate Interest Payment Date.

Interest on each of the Fixed Rate Notes will be payable in arrear in euros or any other currency indicated in the Applicable Final Terms in respect of the Principal Amount Outstanding of such Fixed Rate Notes on the relevant Fixed Rate Interest Payment Date.

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

Up to (but excluding) the relevant First Optional Redemption Date the rate of interest applicable to the Fixed Rate Notes will be as stated in the Applicable Final Terms (the "**Fixed Rate of Interest**").

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

If on the relevant First Optional Redemption Date the Fixed Rate Notes of any Series and Class or Sub-class thereof have not been redeemed in full, a floating rate of interest will be applicable to such Notes from and including the relevant First Optional Redemption Date as specified in the Applicable Final Terms, payable by reference to Floating Rate Interest Periods on each succeeding relevant Notes Payment Date, plus a margin as specified in the Applicable Final Terms as calculated in accordance with Condition 4 (II).

If the Fixed Rate Notes of a Series and Class or Sub-class are not redeemed on the relevant First Optional Redemption Date, and the Issuer duly and timely notifies all Noteholders of such Series and Class or Sub-class:

- (i) within one (1) month after such First Optional Redemption Date that it will redeem the Notes on the immediately succeeding Notes Payment Date, the interest rate applicable in respect of such Notes will be equal to one-third ( $1/3$ ) of the sum of (x) two times the interest rate applicable prior to the First Optional Redemption Date for a Floating Rate Interest Period (which, for the avoidance of doubt means in respect of Fixed Rate Notes one quarter of annual interest applicable to such Fixed Rate Notes prior to the First Optional Redemption Date for a Fixed Rate Interest Period) and (y) the interest rate applicable after the First Optional Redemption Date for a Floating Rate Interest Period; and
- (ii) after one (1) month but within the second month after such First Optional Redemption Date that it will redeem the Notes on the immediately succeeding Notes Payment Date, the interest rate applicable in respect of such Notes will be equal to one-third ( $1/3$ ) of the sum of (x) the interest rate applicable prior to the First Optional Redemption Date for a Floating Rate Interest Period (which, for the avoidance of doubt means in respect of Fixed Rate Notes one quarter of annual interest applicable to such Fixed Rate Notes prior to the First Optional Redemption Date for a Fixed Rate Interest Period) and (y) two times the interest rate applicable after the First Optional Redemption Date for a Floating Rate Interest Period;

unless the Notes are not repaid on such Notes Payment Date, in which case the margin after the First Optional Redemption Date applies.

(e) *Calculation of the Fixed Rate Interest Amount*

The Reference Agent will, as soon as practicable after 11.00 a.m. (Central European Time in respect of euros and London time or New York Time, as the case may be, in respect of U.S. Dollars, Japanese Yen and Pound Sterling) on each relevant Interest Determination Date, calculate the amount of interest payable on each Series and Class or Sub-Class, as the case may be, of Fixed Rate Notes for the following Fixed Rate Interest Period (the '**Fixed Rate Interest Amount**') by applying the relevant Fixed Rate of Interest to the Principal Amount Outstanding of the relevant Series and Class, or Sub-class, as the case may be, of Fixed Rate Notes. The calculation of the Fixed Rate Interest Amount by the Reference Agent shall (in the absence of manifest error) be final and binding on all parties.

(f) *Notification of the Fixed Rate Interest Amount*

The Reference Agent will cause the relevant Fixed Rate Interest Amount and the relevant Notes Payment Date applicable to each relevant Series and Class, or Sub-class, as the case may be, of Notes to be notified to the Issuer, the Security Trustee, the Paying Agents, the Issuer Administrator, Euronext Amsterdam and to any competent listing authority, stock exchange and/or quotation system on or by which the Notes are listed, quoted and/or traded and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth Business Day thereafter. The Fixed Rate Interest Amount and relevant Notes Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Fixed Rate Interest Period.

(g) *Calculation by Security Trustee*

If the Reference Agent at any time for any reason fails to calculate the relevant Fixed Rate Interest Amount in accordance with paragraph (e) above, the Security Trustee shall calculate the Fixed Rate Interest Amount in accordance with paragraph (e) above, and each such calculation shall be final and binding on all parties.

(II) *Interest on Floating Rate Notes*

(a) *Period of Accrual*

The Floating Rate Notes shall bear interest on their Principal Amount Outstanding from and including the relevant Issue Date. Each Floating Rate Note (or in the case of the redemption of part only of a Floating Rate Note that part only of such Note) shall cease to bear interest from its due date for redemption unless, upon due presentation payment of the relevant amount of principal or any part thereof is improperly withheld or refused. In such event, interest will continue to accrue thereon (before and after any judgment) at the rate applicable to such Floating Rate Note up to but excluding the date on which, on presentation of such Floating Rate Note, payment in full of the relevant amount of principal is made or (if earlier) the seventh day after notice is duly given by the Paying Agent to the holder thereof (in accordance with Condition 13) that upon presentation thereof, such payments will be made, provided that upon such presentation payment is in fact made. Whenever it is necessary to compute an amount of interest in respect of any Floating Rate Note for any period, such interest shall be calculated (i) with respect to Floating Rate Notes denominated in euro, Japanese Yen or U.S. Dollars, on the basis of the actual number of days in the Floating Rate Interest Period (as defined below) concerned divided by a year of three hundred and sixty (360) days. ("*Actual / 360*"), or (ii) with respect to Floating Rate Notes denominated in Pound Sterling, on the basis of the actual number of days in the Floating Rate Interest Period (as defined below) concerned divided by a year of three hundred and sixty five (365) days ("*Actual / 365*") or (iii) as specified in the Applicable Final Terms as Day Count Fraction.

(b) *Floating Rate Interest Periods and Notes Payment Dates*

Interest on the Notes shall be payable by reference to successive Floating Rate Interest Periods. Each "**Floating Rate Interest Period**" will commence on (and include) a relevant Notes Payment Date and end on (but exclude) the next succeeding relevant

Notes Payment Date, except for the first Floating Rate Interest Period, which will commence on (and include) the relevant Issue Date and end on (but exclude) the first Notes Payment Date as set out in the Applicable Final Terms.

Interest on each of the Floating Rate Notes will be payable quarterly in arrear in euros or any other currency indicated in the Applicable Final Terms, in respect of the Principal Amount Outstanding of such Floating Rate Notes on the relevant Notes Payment Date.

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

Unless otherwise specified in the Final Terms, up to (but excluding) the relevant First Optional Redemption Date, interest on the Floating Rate Notes denominated in euro (€) for each Floating Rate Interest Period will accrue at a rate equal to the sum of the Euro Interbank Offered Rate ('**Euribor**') for three (3) months deposits (or, in respect of the first Floating Rate Interest Period, the rate which represents the linear interpolation of Euribor for the relevant months deposits in euro, rounded, if necessary, to the 5th decimal place with 0.000005, being rounded upwards) plus a margin as specified in the Final Terms.

Unless otherwise specified in the Final Terms, up to (but excluding) the relevant First Optional Redemption Date, interest on the Floating Rate Notes denominated in U.S. Dollar (\$) for each Floating Rate Interest Period will accrue at a rate equal to the sum of the London Interbank Offered Rate for three (3) months deposits in U.S. Dollars ('**Dollar Libor**') (or, in respect of the first Floating Rate Interest Period, the rate which represents the linear interpolation of Dollar Libor for the relevant months deposits in euro, rounded, if necessary, to the 5th decimal place with 0.000005, being rounded upwards) plus a margin as specified in the Final Terms.

Unless otherwise specified in the Final Terms, up to (but excluding) the relevant First Optional Redemption Date, interest on the Floating Rate Notes denominated in Japanese Yen (¥) for each Floating Rate Interest Period will accrue at a rate equal to the sum of the London Interbank Offered Rate for three (3) months deposits in Japanese Yen ('**JPY Libor**') (or, in respect of the first Floating Rate Interest Period, the rate which represents the linear interpolation of JPY Libor for the relevant months deposits in euro, rounded, if necessary, to the 5th decimal place with 0.000005, being rounded upwards) plus a margin as specified in the Final Terms.

Unless otherwise specified in the Final Terms, up to (but excluding) the relevant First Optional Redemption Date, interest on the Floating Rate Notes denominated in Pound Sterling (£) for each Floating Rate Interest Period up to (but excluding) the First Optional Redemption Date will accrue at a rate equal to the sum of the London Interbank Offered Rate for three (3) months deposits in Pound Sterling ('**Libor**') (or, in respect of the first Floating Rate Interest Period, the rate which represents the linear interpolation of Libor for the relevant months deposits in euro, rounded, if necessary, to the 5th decimal place with 0.000005, being rounded upwards) plus a margin as specified in the Final Terms.

If specified otherwise in the Final Terms, the rate of interest payable from time to time in respect of the Notes will be determined in the manner set out in the Applicable Final Terms.

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

Unless otherwise specified in the Applicable Final Terms, if on the First Optional Redemption Date of any Series and Class, or Sub-class, as the case may be, of Floating Rate Notes have not been redeemed in full, a floating rate of interest will be applicable to each such Notes as specified in the Applicable Final Terms, payable by reference to Floating Rate Interest Periods on each succeeding relevant Notes Payment Date, plus a margin as specified in the Applicable Final Terms.

If specified otherwise in the Applicable Final Terms, the rate of interest payable from time to time in respect of the Notes will be determined in the manner set out in the



Applicable Final Terms, plus a margin as specified in the Applicable Final Terms.

If the Floating Rate Notes of a Series and Class or Sub-class are not redeemed on the relevant First Optional Redemption Date, and the Issuer notifies all Noteholders of such Series and Class or Sub-class:

- (i) within one (1) month after such First Optional Redemption Date that it will redeem the Notes on the immediately succeeding Notes Payment Date, the margin in respect of such Notes will be equal to one-third (1/3) of the sum of (x) two times the margin prior to the First Optional Redemption Date and (y) the margin after the First Optional Redemption Date; and
- (ii) after one (1) month but within the second month after such First Optional Redemption Date that it will redeem the Notes on the immediately succeeding Notes Payment Date, the interest rate applicable in respect of such Notes will be equal to one-third (1/3) of the sum of (x) the margin prior to the First Optional Redemption Date and (y) two times the margin after the First Optional Redemption Date;

unless the Notes are not repaid on such Notes Payment Date, in which case the Margin after the First Optional Redemption Date applies.

(e) *Euribor*

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

- (i) the Reference Agent will obtain for each Floating Rate Interest Period the rate equal to the amount of Euribor for three (3) months deposits in euros. The Reference Agent shall use the Euribor rate as determined and published jointly by the European Banking Federation and ACI - The Financial Market Association and which appears for information purposes on the Reuters Screen EURIBOR 01 Page (or its successor sources)(or, if not available, any other display page on any screen service maintained by any registered information vendor (including, without limitation, the Reuter Monitor Money Rate Service, the Dow Jones Telerate Service and the Bloomberg Service) for the display of the Euribor rate selected by the Reference Agent) as at or about 11:00 a.m. (Central European time) on the day that is two (2) Business Days preceding the first day of each Floating Rate Interest Period (each an '**Euribor Interest Determination Date**').
- (ii) If, on the relevant Euribor Interest Determination Date, such Euribor rate is not determined and published jointly by the European Banking Association and ACI - The Financial Market Association, or if it is not otherwise reasonably practicable to calculate the rate under (i) above, the Reference Agent will:
  - (A) request the principal euro-zone office of each of four major banks in the euro-zone interbank market (Reference Banks) to provide a quotation for the rate at which three (3) months euro deposits are offered by it in the euro-zone interbank market at approximately 11.00 a.m. (Central European time) on the relevant Euribor Interest Determination Date to prime banks in the euro-zone interbank market in an amount that is representative for a single transaction at that time; and determine the arithmetic mean (rounded, if necessary, to the fifth decimal place with 0.000005 being rounded upwards) of such quotation as are provided; and
  - (B) if fewer than two such quotations are provided as requested, the Reference Agent will determine the arithmetic mean (rounded, if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the rates quoted by major banks, of which there shall be at least two in number, in the euro-zone, selected by the Reference Agent, at approximately 11.00 a.m. (Central European time) on the relevant Euribor Interest Determination Date for three (3) months deposits to leading euro-

zone banks in an amount that is representative for a single transaction in that market at that time,

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

(f) *Dollar Libor*

For the purpose of Condition 4(II)(c) and (d) Dollar Libor will be determined as follows:

- (i) The Reference Agent will determine the rate sponsored by the British Bankers' Association for deposits in U.S. Dollars for a period equal to the relevant Floating Rate Interest Period which appears on the Reuters Screen LIBOR01 (or its successor sources)(or such other service as may be nominated as the information vendor, for the purpose of displaying British Bankers' Association settlement rates for U.S. Dollars) as of 11.00 a.m. (London time) on the day that is two (2) Business Days preceding the first day of each Floating Rate Interest Period (each a '**Dollar Libor Interest Determination Date**', and together with the Euribor Interest Determination Date, JPY Libor Interest Determination Date and Libor Interest Determination Date the '**Interest Determination Date**').
- (ii) If such rate does not appear on that page, or if it is not otherwise reasonably practicable to calculate the rate under (i) above, the Reference Agent will:
  - (A) request the principal London office of each of four major banks in the London interbank market (Reference Banks) to provide a quotation for the rate at which it offers deposits in U.S. Dollars at approximately 11.00 a.m. (London time) on the relevant Dollar Libor Interest Determination Date to prime banks in the London interbank market for a period equal to the relevant Floating Rate Interest Period and in an amount that is representative for a single transaction in that market at that time; and
  - (B) if at least two quotations are provided, determine the arithmetic mean (rounded, if necessary, to the fifth decimal place with 0.000005 being rounded upwards) of such quotations; and
- (iii) if fewer than two such quotations are provided, the Reference Agent will determine the arithmetic mean (rounded if necessary as aforesaid) of the rates quoted by major banks in New York City, selected by the Reference Agent, at approximately 11.00 a.m. (New York City time) on the first day of the relevant Floating Rate Interest Period for deposits in U.S. Dollars to leading European banks for a period equal to the relevant Floating Rate Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Dollar Libor for such Floating Rate Interest Period shall be the rate per annum equal to the London Interbank Offered Rate for deposits in U.S. Dollars as determined in accordance with this paragraph (f), provided, however, that if the Reference Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Floating Rate Interest Period, Dollar Libor applicable to the Notes during such Floating Rate Interest Period will be the rate, or as the case may be, the arithmetic mean last determined in relation to the Notes in respect of a preceding Floating Rate Interest Period.

(g) *JPY Libor*

For the purpose of Condition 4(II)(c) and (d), JPY Libor will be determined as follows:

- (i) The Reference Agent will determine the rate sponsored by the British Bankers' Association for deposits in Japanese Yen for a period equal to the relevant Floating Rate Interest Period which appears on the Reuters Screen LIBOR01 (or its successor sources or such other service as may be nominated as the information vendor, for the purpose of displaying British Bankers' Association settlement rates for Japanese Yen) as of 11.00 a.m. (London time) on the day that is two (2) Business Days preceding the first day of each Floating Rate Interest Period (each a '**JPY Libor Interest Determination Date**').
- (ii) If such rate does not appear on that page, or if it is not otherwise reasonably practicable to calculate the rate under (i) above, the Reference Agent will:
  - (A) request the principal London office of each of four major banks in the London interbank market (Reference Banks) to provide a quotation for the rate at which it offers deposits in Japanese Yen at approximately 11.00 a.m. (London time) on the relevant JPY Libor Interest Determination Date to prime banks in the London interbank market for a period equal to the relevant Floating Rate Interest Period and in an amount that is representative for a single transaction in that market at that time; and
  - (B) if at least two quotations are provided, determine the arithmetic mean (rounded, if necessary, to the fifth decimal place with 0.000005 being rounded upwards) of such quotations; and
- (iii) if fewer than two such quotations are provided, the Reference Agent will determine the arithmetic mean (rounded if necessary as aforesaid) of the rates quoted by major banks in Tokyo, of which there shall be at least two in number selected by the Reference Agent, at approximately 11.00 a.m. (Tokyo time) on the first day of the relevant Floating Rate Interest Period for deposits in Japanese Yen to leading European banks for a period equal to the relevant Floating Rate Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the JPY Libor for such Floating Rate Interest Period shall be the rate per annum equal to the London Interbank Offered Rate for deposits in Japanese Yen as determined in accordance with this provision, provided, however, that if the Reference Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Floating Rate Interest Period, JPY Libor applicable to the Notes during such Floating Rate Interest Period will be the rate, or as the case may be, the arithmetic mean last determined in relation to the Notes in respect of a preceding Floating Rate Interest Period.

*(h) Libor*

For the purpose of Condition 4(II)(c) and (d), Libor will be determined as follows:

- (i) The Reference Agent will determine the rate sponsored by the British Bankers' Association for deposits in Pound Sterling for a period equal to the relevant Floating Rate Interest Period which appears on the Reuters Screen LIBOR01 (or its successor sources) or such other service as may be nominated as the information vendor, for the purpose of displaying British Bankers' Association settlement rates for Pound Sterling) as of 11.00 a.m. (London time) on the day that is two (2) Business Days preceding the first day of each Floating Rate Interest Period (each a '**Libor Interest Determination Date**').
- (ii) If such rate does not appear on that page, or if it is not otherwise reasonably practicable to calculate the rate under (i) above, the Reference Agent will:

- (A) request the principal London office of each of four major banks in the London interbank market (Reference Banks) to provide a quotation for the rate at which it offers deposits in Pound Sterling at approximately 11.00 a.m. (London time) on the relevant Libor Interest Determination Date to prime banks in the London interbank market for a period equal to the relevant Floating Rate Interest Period and in an amount that is representative for a single transaction in that market at that time; and
- (B) if at least two quotations are provided, determine the arithmetic mean (rounded, if necessary, to the fifth decimal place with 0.000005 being rounded upwards) of such quotations; and
- (iii) if fewer than two such quotations are provided, the Reference Agent will determine the arithmetic mean (rounded if necessary as aforesaid) of the rates quoted by major banks in London, of which there shall be at least two in number selected by the Reference Agent, at approximately 11.00 a.m. (GMT) on the first day of the relevant Floating Rate Interest Period for deposits in Pound Sterling to leading European banks for a period equal to the relevant Floating Rate Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Libor for such Floating Rate Interest Period shall be the rate per annum equal to the London Interbank Offered Rate for deposits in Pound Sterling as determined in accordance with this provision, provided, however, that if the Reference Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Floating Rate Interest Period, Libor applicable to the Notes during such Floating Rate Interest Period will be the rate, or as the case may be, the arithmetic mean last determined in relation to the Notes in respect of a preceding Floating Rate Interest Period.

- (i) *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 in respect of euros and London time or New York Time, as the case may be, in respect of U.S. Dollars, Japanese Yen and Pound Sterling) on each relevant Interest Determination Date, determine the floating rates of interest referred to in paragraphs (c) and (d) above for each Series and Class, or Sub-class, as the case may be, of Notes (the '**Floating Rate of Interest**') and calculate the amount of interest payable on such Notes for the following Floating Rate Interest Period (the '**Floating Interest Amount**') by applying the relevant Floating Rate of Interest to the Principal Amount Outstanding of the relevant Series and Class, or Sub-class, as the case may be, 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.
- (j) *Notification of the Floating Rate of Interest and the Floating Rate Interest Amount*  
The Reference Agent will cause the relevant Floating Rate of Interest and the relevant Floating Rate Interest Amount and the relevant Notes Payment Date applicable to each relevant Series and Class, or Sub-class, as the case may be, of Notes to be notified to the Issuer, the Security Trustee, the Paying Agents, the Issuer Administrator, Euronext Amsterdam and to any competent listing authority, stock exchange and/or quotation system on or by which the Notes are listed, quoted and/or traded and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth Business Day thereafter. The Floating Interest Amount and relevant Notes Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Floating Rate Interest Period.

(k) *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 (i) 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 the above paragraphs, it shall deem fair and reasonable under the circumstances, or, as the case may be, the Security Trustee shall calculate the Floating Rate Interest Amount in accordance with paragraph (i) above, and each such determination or calculation shall be final and binding on all parties.

(l) *Reference Banks and Reference Agent*

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

**5. Payment**

(a) Payment of principal and interest in respect of the Notes will be made upon presentation of the Note and against surrender of the relevant Coupon appertaining thereto, at any specified office of the Paying Agents:

- (a) in respect of euros, by transfer to an euro account maintained by the payee with a bank in the Netherlands, as the holder may specify or in euro to the relevant Paying Agent for the credit of the respective accounts of the Noteholders through Euroclear Netherlands, if applicable;
- (b) in respect of U.S. Dollars by transfer to a U.S. Dollar account maintained by the payee with a bank outside of the United States (which expression, as used in this Condition 5, means the United States, including the State and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction);
- (c) in respect of a Specified Currency other than euro and U.S. Dollars, an account in the relevant Specified Currency (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively).

All such payments are subject to any fiscal or other laws and regulations applicable in the place of payment. References to a currency will include any successor currency under applicable law.

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

become unenforceable pursuant to Condition 8).

- (c) If the relevant Notes Payment Date is not (i) a day on which banks are open for business in the place of presentation of the relevant Note or Coupon and (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a TARGET 2 Settlement Day (a "**Local Business Day**"), the holder thereof shall not be entitled to payment until the next following Local Business Day, or to any interest or other payment in respect of such delay, provided that in the case of payment by transfer to an euro account or any other currency 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 Luxembourg. The names of the Paying Agents and of their offices are set out below.
- (d) Payments of principal and interest (if any) in respect of Notes represented by any Global Note be made in the manner specified above in relation to Definitive Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender (as the case may be) of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Global Covered Bond, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented and such record shall be prima facie evidence that the payment in question has been made and in respect of a Global Note in NGN-form the payment is entered pro rata in the record of Euroclear and Clearstream, Luxembourg.
- (e) 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 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. Notice of any termination or appointment of any of the Paying Agents and of any changes in the specified offices of the Paying Agents will be given to the Noteholders in accordance with Condition 13.
- (f) Notwithstanding the foregoing provisions of this Condition, U.S. Dollar payments of principal and/or interest in respect of Notes denominated in U.S. Dollar will be made at the specified office of a paying agent in the United States if:
  - (i) the Issuer has appointed paying agents with specified offices outside the United States with the reasonable expectation that such paying agents would be able to make payment in U.S. Dollars at such specified offices outside the United States of the full amount of principal and interest on the notes in the manner provided above when due;
  - (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. Dollars; and
  - (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

## **6. Redemption and purchase**

- (a) *Final redemption*  
Unless previously redeemed as provided in this Condition 6, the Issuer will, in respect of the Class B Notes, Class C Notes, Class D Notes and Class E Notes, subject to (i) Condition 9(b)

and (ii) fulfilment of the Repayment Test, redeem a Series and Class, or Sub-class, as the case may be, of Notes at their Principal Amount Outstanding on the relevant Final Maturity Date specified in respect of such Notes in the Applicable Final Terms,

(b) *Mandatory redemption*

(I) Provided that no Enforcement Notice has been served in accordance with Condition 10 and no Trigger Event has occurred, if the Pro-rata Condition is satisfied, the Issuer will, in respect of the Class B Notes, Class C Notes and Class D Notes, subject to (i) Condition 9(b) and (ii) fulfilment of the Repayment Test, be obliged to apply:

- (i) the Class A Pass-through Notes Redemption Available Amount to redeem (or partially redeem) on each Notes Payment Date the Class A Pass-through Notes;
- (ii) the Class B Pass-through Notes Redemption Available Amount to redeem (or partially redeem) on each Notes Payment Date the Class B Pass-through Notes;
- (iii) the Class C Pass-through Notes Redemption Available Amount to redeem (or partially redeem) on each Notes Payment Date the Class C Pass-through Notes; and
- (iv) the Class D Pass-through Notes Redemption Available Amount to redeem (or partially redeem) on each Notes Payment Date the Class D Pass-through Notes.

The principal amount so redeemable in respect of:

- (i) each Class A Pass-through Note (the '**Class A Pass-through Notes Principal Redemption Amount**') shall be the Class A Pass-through Notes Redemption Available Amount on the Notes Calculation Date relating to that Notes Payment Date divided by the Principal Amount Outstanding of Class A Pass-through Notes and multiplied by the Principal Amount Outstanding of such Note (rounded down to the nearest euro or any other currency indicated in the Applicable Final Terms), provided always that the Class A Pass-through Notes Principal Redemption Amount may never exceed the Principal Amount Outstanding of the relevant Class A Pass-through Note;
- (ii) each Class B Pass-through Note (the '**Class B Pass-through Notes Principal Redemption Amount**') shall be the Class B Pass-through Notes Redemption Available Amount on the Notes Calculation Date relating to that Notes Payment Date divided by the Principal Amount Outstanding of Class B Pass-through Notes and multiplied by the Principal Amount Outstanding of such Note (rounded down to the nearest euro or any other currency indicated in the Applicable Final Terms), provided always that the Class B Pass-through Notes Principal Redemption Amount may never exceed the Principal Amount Outstanding of the relevant Class B Pass-through Note;
- (iii) each Class C Pass-through Note (the '**Class C Pass-through Notes Principal Redemption Amount**') shall be the Class C Pass-through Notes Redemption Available Amount on the Notes Calculation Date relating to that Notes Payment Date divided by the Principal Amount Outstanding of Class C Pass-through Notes and multiplied by the Principal Amount Outstanding of such Note (rounded down to the nearest euro or any other currency indicated in the Applicable Final Terms), provided always that the Class C Pass-through Notes Principal Redemption Amount may never exceed the Principal Amount Outstanding of the relevant Class C Pass-through Note; and
- (iv) each Class D Pass-through Note (the '**Class D Pass-through Notes Principal Redemption Amount**') shall be the Class D Pass-through Notes Redemption Available Amount on the Notes Calculation Date relating to that Notes Payment Date divided by the Principal Amount Outstanding of Class D Pass-through Notes and multiplied by the Principal Amount Outstanding of such Note (rounded down to the nearest euro or any other currency indicated in the Applicable Final Terms), provided always that the Class D Pass-through Notes Principal Redemption Amount may never exceed the Principal Amount Outstanding of the relevant Class D Pass-through Note.

(II) Provided that no Enforcement Notice has been served in accordance with Condition 10 and no Trigger Event has occurred, if the Pro-rata Condition is not satisfied, the Issuer will, in respect of the Class B Notes, the Class C Notes and the Class D Notes, subject to (i) Condition 9(b) and (ii) fulfilment of the Repayment Test, be obliged to apply the Issuer Pass-through Principal Available Amount plus any Reserved Ledger Repayment Debit to redeem (or partially redeem) on a *pro rata* basis on each Notes Payment Date (a) firstly, the Class A Pass-through Notes until fully redeemed, and thereafter, (b), the Class B Pass-through Notes until fully redeemed, and thereafter, (c), the Class C Pass-through Notes until fully redeemed, and thereafter, (d) the Class D Pass-through Notes until fully redeemed.

(III) Provided that no Enforcement Notice has been served in accordance with Condition 10, but after the occurrence of a Trigger Event, the Issuer will, in respect of the Class B Notes, the Class C Notes and the Class D Notes, subject to (i) Condition 9(b) and (ii) fulfilment of the Repayment Test, be obliged to apply the Issuer Available Principal Funds to redeem (or partially redeem) on a *pro rata* basis on each Notes Payment Date (a) firstly, the Class A Notes until fully redeemed, and, thereafter, (b), the Class B Notes until fully redeemed, and, thereafter (c) the Class C Notes until fully redeemed, and, thereafter, (d) the Class D Notes until fully redeemed.

(IV) The principal amount so redeemable (each a '**Redemption Amount**'), in respect of each Note, other than the Class E Notes, on the relevant Notes Payment Date, shall be, subject to Condition 9(b), (a)(i) prior to a Trigger Event, if the Pro-rata Condition is satisfied the Class A Pass-through Notes Principal Redemption Amount, the Class B Pass-through Notes Principal Redemption Amount Class C Pass-through Notes Principal Redemption Amount and the Class D Pass-through Notes Principal Redemption Amount and (ii) prior to a Trigger Event, if the Pro-rata Condition is not satisfied, the Issuer Pass-through Principal Available Amount, and (iii) on or after a Trigger Event the Issuer Available Principal Funds, on the Notes Calculation Date relating to that Notes Payment Date, divided in the case of (ii) and (iii) by (b) the Principal Amount Outstanding of Notes of the relevant Class subject to such redemption and multiplied by the Principal Amount Outstanding of such Note (rounded down to the nearest euro or any other currency indicated in the Applicable Final Terms), provided always that the Redemption Amount may never exceed the Principal Amount Outstanding of the relevant Note of the relevant Class. Following application of the Redemption Amount to redeem a Note, the Principal Amount Outstanding of such Note will be reduced accordingly.

(V) If the relevant Note is represented by a Global Note and held with a Common Depositary or Common Safekeeper for Euroclear and Clearstream, Luxembourg, partial redemption will be effectuated in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion).

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

- (i) On each Notes Calculation Date, the Issuer shall determine (or cause the Administrator to determine) (a) the Redemption Amount and (b) the Principal Amount Outstanding of the relevant Note on the first day following the relevant Notes Payment Date. Each determination by or on behalf of the Issuer of any 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 Redemption Amount and Principal Amount Outstanding of Notes to be notified forthwith to the Security Trustee, the Paying Agents, the Reference Agent, Euroclear Netherlands, if applicable, Euroclear, if applicable, Clearstream, Luxembourg, if applicable, Euronext Amsterdam N.V. and to any competent listing authority, stock exchange and/or quotation system on or by which the Notes are listed, quoted and/or traded and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth Business Day thereafter. If no Redemption Amount is due to



be made on the Notes on any applicable Notes Payment Date, a notice to this effect will be given to the Noteholders in accordance with Condition 13.

- (iii) If the Issuer does not at any time for any reason determine (or cause the Administrator to determine) the Redemption Amount or the Principal Amount Outstanding of a Note, such Redemption Amount or such Principal Amount Outstanding shall be determined by the Security Trustee in accordance with this paragraph (c) and paragraph (b) above (but based upon the information in its possession) as to the Issuer Principal Available Amount each such determination or calculation shall be deemed to have been made by the Issuer.

(d) *Optional Redemption*

The Issuer may, at its option, redeem all of the Notes of a Series and Class, or all Notes of a Sub-class, if applicable, other than the Class E Notes of such Series and Class, in whole but not in part, at their Principal Amount Outstanding, in respect of the Class B Notes, Class C Notes and Class D Notes, (i) subject to Condition 9(b) and (ii) fulfilment of the Repayment Test, on the date specified as the First Optional Redemption Date for such Notes in the Applicable Final Terms and on any Notes Payment Date for such Notes thereafter, provided that the Issuer has sufficient funds available to it for this purpose.

The Issuer shall notify the exercise of such option by giving not less than thirty (30) days notice to the Noteholders and the Security Trustee prior to the relevant Notes Payment Date in accordance with Condition 13.

(e) *Notes Clean-up Call Option*

The Issuer may, at its option, redeem all, but not some only, of the Notes (other than the Class E Notes) of a Series and Class or, if applicable, Sub-class at their Principal Amount Outstanding, in respect of the Class B Notes, Class C Notes and Class D Notes (i) subject to and in accordance with Condition 9(b) and (ii) fulfilment of the Repayment Test, on each Notes Payment Date on which the aggregate Principal Amount Outstanding of such Notes is less than 10 per cent. of the aggregate Principal Amount Outstanding of such Notes as at the Issue Date of such Notes, provided that the Issuer has sufficient funds available to it for this purpose.

The Issuer shall notify the exercise of such option by giving not less than thirty (30) days notice to the Noteholders and the Security Trustee prior to the relevant Notes Payment Date in accordance with Condition 13.

(f) *Programme Clean-up Call Option*

The Issuer may, at its option, redeem at their Principal Amount Outstanding, in respect of the Class B Notes, Class C Notes, Class D Notes and Class E Notes subject to Condition 9(b), all of the Notes, but not some only, if the percentage of the Principal Amount Outstanding of all Mortgage Receivables falls below 10 per cent. of the highest Principal Amount Outstanding of all Mortgage Receivables reached since the Programme Signing Date, provided that the Issuer has sufficient funds available to it for this purpose.

The Issuer shall notify the exercise of such option by giving not less than thirty (30) days notice to the Noteholders and the Security Trustee prior to the relevant Notes Payment Date in accordance with Condition 13.

No Series and Class of Notes may be redeemed under such circumstances unless all Series and Classes (or such of them as are outstanding) are also redeemed in full at the same time (subject to Condition 9(b)).

(g) *Redemption of Class E Notes*

The Issuer may, at its option, redeem all of the Class E Notes of a Series and Class or Sub-class or, all Class E Notes, if applicable, in whole but not in part, at their Principal Amount Outstanding, subject to (i) Condition 9(b) and (ii) fulfilment of the Repayment Test, on the date specified as the First Optional Redemption Date for such Class E Notes in the Applicable Final

Terms and any Notes Payment Date for such Notes thereafter, provided that the Issuer has sufficient funds available to it for this purpose.

(h) *Tax Call Option*

The Notes may be redeemed at the option of the Issuer, in whole, but not in part, at their Principal Amount Outstanding, in respect of the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes subject to Condition 9(b), on any Notes Payment Date if, immediately prior to giving such notice, the Issuer has satisfied the Security Trustee that:

- (a) the Issuer is or will be obliged to make any withholding or deduction for, or on account of, any taxes, duties, or charges of whatsoever nature from payments in respect of any Class of Notes as a result of any charge in, or amendment to, the application of the laws for regulations of the Netherlands (including any guidelines issued by the tax authorities) or any other jurisdiction or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which becomes effective on or after the relevant Issue Date and such obligation cannot be avoided by the Issuer taking reasonable measures available to it; and
- (b) the Issuer will have sufficient funds available as determined on the Notes Calculation Date immediately preceding such Notes Payment Date to discharge all amounts of principal (subject to Condition 9(b)) and interest due in respect of the Notes and any amounts required to be paid in priority or *pari passu* with each Class of Notes in accordance with the Issuer Trust Deed.

The Issuer shall notify the exercise of such option by giving not less than thirty (30) days notice to the Noteholders and the Security Trustee prior to the relevant Notes Payment Date.

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

(i) *Redemption for regulatory reasons*

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Notes Payment Date at their Principal Amount Outstanding, in respect of the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes subject to Condition 9(b), if any of the Sellers exercises its option to repurchase the Mortgage Receivables from the Asset Purchaser upon the occurrence of:

- (a) a change published on or after the Programme Signing Date in the Basle Capital Accord or in the Bank Regulations applicable to the relevant Seller (including any change in the Bank Regulations enacted for purposes of implementing a change to the Basle Accord) or a change in the manner in which the Basle Accord or such Bank Regulations are interpreted or applied by the Basle Committee on Banking Supervision or by any relevant competent international, European or national body (including any relevant international, European or Dutch Central Bank or other competent regulatory or supervisory authority) which, in the opinion of the relevant Seller, has the effect of adversely affecting the rate of return on capital of the relevant Seller or increasing the cost or reducing the benefit to the relevant Seller with respect to the transaction contemplated by the Notes (a '**Regulatory Change**'); and
- (b) the Issuer will have sufficient funds available on the Notes Calculation Date immediately preceding such Notes Payment Date to discharge all amounts of principal (subject to Condition 9(b)) and interest due in respect of the Notes and any amounts required to be paid in priority or *pari passu* with each Series or Class of Notes in accordance with the Issuer Trust Deed.

The Issuer shall notify the exercise of such option by giving not less than thirty (30) days notice to the Noteholders and the Security Trustee prior to the relevant Notes Payment Date.

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

(j) *Purchases*

The Issuer may purchase Notes that are offered to it on any date, prior to (i) the occurrence of a Trigger Event which is continuing or (ii) the delivery of any Enforcement Notice and provided that the Issuer has sufficient funds available for such purpose in accordance with the Issuer Trust Deed. In the case of purchase of Class B Notes, Class C Notes, Class D Notes and Class E Notes the Repayment Test will apply *mutatis mutandis*. Any Class A Notes may, at the option of the Issuer be held, re-issued or resold at their Principal Amount Outstanding together with accrued interest thereon subject to and in accordance with the Conditions, or may be surrendered to any of the Paying Agents for cancellation in accordance with the Paying Agency Agreement. Any Class B Notes, Class C Notes, Class D Notes or Class E Notes so purchased should be surrendered to any of the Paying Agents for cancellation in accordance with the Paying Agency Agreement.

(k) *Specified Notes Exchange Rate*

If a Note is denominated in a Specified Currency other than euro and the Principal Amount Outstanding in respect of a Note (or any other amount of principal) is required to calculate the amount of principal due in respect of such Note, including but not limited to the Redemption Amount, then the Principal Amount Outstanding in respect of a Note which is denominated in a Specified Currency other than euro shall for the purpose of these calculations be converted into euro in accordance with the applicable Specified Notes Exchange Rate. The euro amount of principal so determined in respect of such Note and which is due and payable in respect of such Note, including but not limited to the Redemption Amount in respect of such Note, will be multiplied by the Specified Notes Exchange Rate and the resulting amount will be deemed to be the Redemption Amount in respect of such Note.

**7. Taxation**

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

**8. Prescription**

Claims against the Issuer for payment in respect of the Notes and Coupons shall become prescribed and become void unless made within five (5) years from the date on which such payment first becomes due.

**9. Subordination and limited recourse**

(a) *Interest*

Interest on the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes shall be payable in accordance with the provisions of Conditions 4 and 6, subject to the terms of this Condition.

In the event that on any relevant Notes Calculation Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest due on the Class B Notes on the next Notes Payment Date, the amount available (if any) shall be applied *pro rata* to the amount of the interest due on such Notes Payment Date to the holders of the Class B

Notes. In the event of a shortfall, the Issuer shall debit the Class B Interest Deficiency Ledger, with an amount equal to the amount by which the aggregate amount of interest paid on the Class B Notes, on any relevant Notes Payment Date, in accordance with this Condition falls short of the aggregate amount of interest payable on the Class B Notes on that date pursuant to Condition 4. Such shortfall shall not be treated as due on that date for the purposes of Condition 4, but shall accrue interest as long as it remains outstanding at the rate of interest applicable to the Class B Notes for such period, and a *pro rata* share of such shortfall and accrued interest thereon shall be aggregated with the amount of, and treated for the purpose of these Conditions as if it were interest due, subject to this Condition, on each Class B Note on the next succeeding Notes Payment Date.

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

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

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

(b) *Principal*

Upon and after the occurrence of a Trigger Event or the service of an Enforcement Notice until the date on which the Principal Amount Outstanding of the Class A Notes is reduced to zero, the Class B Noteholders will not be entitled to any repayment of principal in respect of the Class B Notes. If, on any Notes 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 Class B Note on such Notes Payment Date shall not exceed its Principal Amount Outstanding less the Class B Principal Shortfall on such Notes Payment Date. The '**Class B Principal Shortfall**' shall mean an amount equal to the quotient of the balance on the Class B Principal Deficiency Ledger divided by the Principal Amount Outstanding of Class B Notes on such Notes Payment Date multiplied by the Principal Amount Outstanding of such Class B Note. The Class B Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Class B Notes after such redemption.

Upon and after the occurrence of a Trigger Event or the service of an Enforcement Notice until the date on which the Principal Amount Outstanding of the Class A Notes and the Class B Notes is reduced to zero, the Class C Noteholders will not be entitled to any repayment of principal in respect of the Class C Notes. If, on any Notes 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 Class C Note on such Notes Payment Date shall not exceed its Principal Amount Outstanding less the Class C Principal Shortfall. The '**Class C Principal Shortfall**' shall mean an amount equal to the quotient of the balance on the Class C Principal Deficiency Ledger, divided by the Principal Amount Outstanding of Class C Notes on such Notes Payment Date multiplied by the Principal Amount Outstanding of such Class C Note. The Class C Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Class C Notes after such redemption.

Upon and after the occurrence of a Trigger Event or the service of an Enforcement Notice until the date on which the Principal Amount Outstanding of the Class A Notes, the Class B Notes and the Class C Notes is reduced to zero, the Class D Noteholders will not be entitled to any repayment of principal in respect of the Class D Notes. If, on any Notes 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 Class D Note on such Notes Payment Date shall not exceed its Principal Amount Outstanding less the Class D Principal Shortfall. The '**Class D Principal Shortfall**' shall mean an amount equal to the quotient of the balance on the Class D Principal Deficiency Ledger, divided by the Principal Amount Outstanding of Class D Notes outstanding on such Notes Payment Date multiplied by the Principal Amount Outstanding of such Class D Note. The Class D Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Class D Notes after such redemption.

If, on any Notes Payment Date, the amount on the balance of the Unreserved Ledger is less than the Principal Amount Outstanding of all Class E Notes, then notwithstanding any other provisions of these Conditions the principal amount payable on redemption of each Class E Note on such Notes Payment Date shall not exceed its Principal Amount Outstanding less the Class E Principal Shortfall. The '**Class E Principal Shortfall**' shall mean, on any Notes Payment Date, the Principal Amount Outstanding of the relevant Class E Note on such Notes Payment Date minus an amount equal to the balance on the Unreserved Ledger on such Payment Date (after giving effect to any issue of Class E Notes on such date and any other drawing from the Unreserved Ledger on such date), divided by the Principal Amount Outstanding of all Class E Notes outstanding on such Notes Payment Date (after giving effect to any issue of Class E Notes on such date but before any repayment of Class E Notes on such date), multiplied by the Principal Amount Outstanding of such Class E Note. The Class E Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Class E Notes after such redemption.

(c) *General*

In the event that the Security in respect of the Notes has been fully enforced and the proceeds of such enforcement, after payment of all other claims ranking under the Issuer Trust Deed in

priority to a Class of Notes are insufficient to pay in full all principal and interest and other amounts whatsoever due in respect of such Class of Notes, the Noteholders of the relevant Class of Notes shall have no further claim against the Issuer or the Security Trustee in respect of any such unpaid amounts.

#### 10. Events of Default

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

- (a) default is made for a period of fifteen (15) days or more in the payment on the due date of any amount due in respect of the Notes; or
- (b) the Issuer fails to perform any of its other obligations binding on it under the Notes, the Issuer Trust Deed, the Paying Agency Agreement or the Pledge Agreements and, except where such failure, in the reasonable opinion of the Security Trustee, is incapable of remedy, such default continues for a period of thirty (30) days after written notice by the Security Trustee to the Issuer requiring the same to be remedied; or
- (c) if a conservatory attachment ("*conservatoir beslag*") or an executory attachment ("*executoriaal beslag*") on any major part of the Issuer's assets is made and not discharged or released within a period of thirty (30) days; or
- (d) if any order has been made by any competent court or other authority or a resolution passed for the dissolution or winding-up of the Issuer or for the appointment of a liquidator or receiver of the Issuer or of all or substantially all of its assets; or
- (e) the Issuer makes an assignment for the benefit of, or enters into any general assignment ("*akkoord*") with its creditors; or
- (f) the Issuer files a petition for a suspension of payments ("*surseance van betaling*") or for bankruptcy ("*faillissement*") or is declared bankrupt;

provided that, if Notes of a higher ranking Class are outstanding, no Enforcement Notice may or shall be given by the Security Trustee to the Issuer in respect of a lower ranking Class of Notes, irrespective of whether an Extraordinary Resolution is passed by the Noteholders of the lower Class(es) of Notes, unless an Enforcement Notice in respect of the Most Senior Class of Notes outstanding has been given by the Security Trustee. In exercising its discretion as to whether or not to give an Enforcement Notice to the Issuer in respect of the Most Senior Class of Notes outstanding, the Security Trustee shall not be required to have regard to the interests of the Noteholders of a lower ranking Class of Notes.

#### 11. Enforcement

- (a) At any time after the Notes of any Class become due and payable, the Security Trustee may, at its discretion and without further notice, take such steps and/or institute such proceedings as it may think fit to enforce the terms of the Issuer Trust Deed, the Pledge Agreements and the Notes, but it need not take any such steps and/or proceedings unless (i) it shall have been directed by an Extraordinary Resolution of the Noteholders of the highest ranking Class of Notes of all Series outstanding and (ii) it shall have been indemnified to its satisfaction.

- (b) No Noteholder may proceed directly against the Issuer unless the Security Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.
- (c) The Noteholders and the Security Trustee may not institute against, or join any person in instituting against, the Issuer any bankruptcy, winding-up, reorganisation, arrangement, insolvency or liquidation proceeding. 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 Issuer Trust Deed contains provisions for the indemnification of the Security Trustee and for its relief from responsibility.

**13. Notices**

All notices to the Noteholders will to deemed to be validly given if published in the English language 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 such notice shall be deemed to have been given on the first date of such publication. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Security Trustee shall approve.

Until such time as any Definitive Notes are issued, there may (provided that, in the case of any publication required by a stock exchange, that stock exchange agrees) so long as a Global Note is held by a Common Safekeeper for Euroclear and Clearstream, Luxembourg, if the Note is issued in NGN form or, if the Note is not issued in NGN form, by (i) a Common Depositary in their entirety on behalf of Euroclear and Clearstream, Luxembourg or (ii) Euroclear Netherlands in their entirety or (iii) a depositary for any other agreed clearing system in their entirety, be substituted for publication in some or all of the newspapers referred to above, the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg or Euroclear Netherlands or any other agreed clearing system, as the case may be, for communication by them to the Noteholders. Any such notice delivered on or prior to 4.00 pm (local time) on a Business Day in the city in which it was delivered will be deemed to have been given to the Noteholders on such Business Day. A notice delivered after 4.00 pm (local time) as a Business Day in the city in which it was delivered, will be deemed to have been given to the Noteholders on the next following Business Day in such city.

**14. Meetings of Noteholders; Modification; Consents; Waiver**

The Issuer Trust Deed contains provisions for meetings of the Noteholders to consider matters affecting the interests, including the sanctioning by Extraordinary Resolution of a change of any of these Conditions or any provisions of the Transaction Documents.

(a) Convening Meetings of Noteholders

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

(b) Quorum

The quorum for an Extraordinary Resolution is two-thirds of the Principal Amount Outstanding of the Notes of all Series of the relevant Class or of one or more Series and Class or Classes or

Sub-class or Sub-classes, as the case may be, and for an Extraordinary Resolution approving a Basic Terms Change the quorum shall be at least seventy-five (75) per cent. of the Principal Amount Outstanding of the relevant Notes.

If at a meeting a quorum is not present, a second meeting will be held not less than 14 nor more than 30 calendar days after the first meeting. At such second meeting an Extraordinary Resolution, including an Extraordinary Resolution approving a Basic Term Change, can be adopted regardless of the quorum represented at such meeting, provided that in case of a Programme Resolution relating to the removal or replacement of any or all managing directors of the Security Trustee at least thirty (30) per cent. of the Notes of all Series of the relevant Class should be represented at such second meeting.

(c) Extraordinary Resolutions

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

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

(d) Programme Resolutions

Any Extraordinary Resolutions to direct the Security Trustee (i) to take any enforcement action or (ii) to remove or replace the managing director of the Security Trustee shall only be capable of being passed by a Programme Resolution.

(e) Conflicts between Classes, Sub-classes and Series

In respect of each Class of Notes the Issuer Trust Deed provides that :

- (i) A resolution which, in the sole opinion of the Security Trustee, affects the interests of Noteholders of only one Series of a Class, shall be deemed to have been duly passed, if passed at a meeting of Noteholders of such Class of that Series;
- (ii) A resolution which, in the sole opinion of the Security Trustee, affects the interests of Noteholders of more than one Series of a Class but does not give rise to a conflict of interest between Noteholders of one such Series of such Class and Noteholders of any such other Series of such Class, shall be deemed to have been duly passed, if passed at a single meeting of Noteholders of all such Series of such Class of such two or more Series; and
- (iii) A resolution which, in the sole opinion of the Security Trustee, affects the interests of Noteholders of more than one Series of a Class and gives or may give rise to a conflict of interest between Noteholders of one such Series of such Class and Noteholders of any such other Series of such Class, shall be deemed to have been duly passed only, instead of being passed in a single meeting of such Noteholders, if passed at separate meetings of Noteholders of each such Series of such Class.



In respect of each Sub-class of Notes the Issuer Trust Deed provides that:

- (i) A resolution which, in the sole opinion of the Security Trustee, affects the interests of Noteholders of only one Sub-class of a Class, shall be deemed to have been duly passed, if passed at a meeting of Noteholders of such Sub-class of that Class;
- (ii) A resolution which, in the sole opinion of the Security Trustee, affects the interests of Noteholders of more than one Sub-class of the same Class but does not give rise to a conflict of interest between Noteholders of one such Sub-class and Noteholders of any such other Sub-class, shall be deemed to have been duly passed, if passed at a single meeting of the Noteholders of all such Sub-classes of Notes; and
- (iii) A resolution which, in the sole opinion of the Security Trustee, affects the interests of Noteholders of more than one Sub-class of the same Class and gives or may give rise to a conflict of interest between Noteholders of one such Sub-class and the Noteholders of any such other Sub-class, shall be deemed to have been duly passed only, instead of being passed in a single meeting of such Noteholders, if passed at separate meetings of Noteholders of such Sub-Class of Notes;

An Extraordinary Resolution passed at any Meeting of the Most Senior Class shall be binding upon all Noteholders of a Class other than the Most Senior Class irrespective of the effect upon them, except that an Extraordinary Resolution approving a Basic Terms Change shall not be effective for any purpose unless it shall have been approved by Extraordinary Resolutions of Noteholders of all Series of each such Class or unless and to the extent that it shall not, in the sole opinion of the Security Trustee, be materially prejudicial to the interests of Noteholders of all Series of each such Class.

A resolution of Noteholders of all Series of a Class or by Noteholders of one or more Series and Class or Classes or Sub-class or Sub-classes, as the case may be, shall not be effective for any purpose unless either: (i) the Security Trustee is of the opinion that it would not be materially prejudicial to the interests of Noteholders of any Higher Ranking Class or (ii) when it is approved by Extraordinary Resolutions of Noteholders of all Series of each such Higher Ranking Class.

(f) Modifications by the Security Trustee

The Security Trustee may agree, without the consent of the Noteholders, to (i) any modification of any of the provisions of the Issuer Trust Deed, the Notes or any other Transaction Document which is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Issuer Trust Deed, the Notes and/or any other Transaction Document which is in the opinion of the Security Trustee not materially prejudicial to the interests of the Noteholders, provided that a Credit Rating Agency Confirmation in respect of each Credit Rating Agency is available in respect of such modification, authorisation or waiver. Any such modification, authorisation or waiver shall be binding on the Noteholders and, if the Security Trustee so requires, such modification shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

**15. Replacements of Notes and Coupons**

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

**16. Governing Law**

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

## 4.2 Form

Each Series and Class of Notes, or if two or more Sub-classes of a Series and Class Notes will be issued, each such Sub-class will (unless otherwise indicated in the Applicable Final Terms) be in bearer form and will be initially represented by a Temporary Global Note (or, if so specified in the Applicable Final Terms a Permanent Global Note), without receipts, interest coupons or talons, which will either:

- (i) if the Global Notes are intended to be issued in New Global Note ('**NGN**') form, as stated in the Applicable Final Terms, be delivered on or prior to the original Issue Date of the Series and Class to a Common Safekeeper for Euroclear and Clearstream, Luxembourg; and
- (ii) if the Global Notes are not intended to be issued in NGN form be delivered on or prior to the Issue Date of the Series and Class to (i) a Common Depositary on behalf of Euroclear and Clearstream, Luxembourg or (ii) Euroclear Netherlands or (iii) a depositary for other agreed clearing system.

Whilst any Note is represented by a Temporary Global Note and subject to TEFRA D selling restrictions, payments of principal and interest (if any) due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by the relevant clearing system(s) and the relevant clearing system(s) have given a like certification (based on the certifications they have received) to the Principal Paying Agent or the Paying Agent, as the case may be.

On and after the Exchange Date, interests in the Temporary Global Note will be exchangeable (free of charge) for interests in a Permanent Global Note without receipts, interest coupons or talons (if the Notes are subject to TEFRA D selling restrictions) against certification of beneficial ownership as described in the preceding paragraph unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest or principal due on or after the Exchange Date, unless upon due presentation of this Temporary Global Note for exchange as aforesaid, delivery of any of the Notes in definitive form or coupons is improperly withheld or refused.

Payments of principal and interest (if any) on a Permanent Global Note will be made through the relevant clearing system(s) (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form) without any requirement for certification.

Each Permanent Global Note will be exchangeable for Definitive Notes only in the circumstances described below. The Notes will be issued in such denominations as set forth in the Applicable Final Terms save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank or regulatory authority (or equivalent body) or any laws or regulations applicable to the Specified Currency and save that the minimum denomination of each Note will be € 100,000 (or if the Notes are denominated in a currency other than euro, the equivalent amount in such currency). In respect of a Note held through a Common Depositary or a Common Safekeeper for Euroclear or Clearstream, Luxembourg, 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.

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

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

A Permanent Global Note will only be exchangeable upon an Exchange Event (free of charge), in whole or (subject to the Notes which continue to be represented by the Permanent Global Note being regarded by the relevant clearing system(s) as fungible with the Notes in definitive form issued in partial exchange for such Permanent Global Note) in part in accordance with the Issuer Trust Deed and the Conditions and the Applicable Final Terms, for security printed Notes in definitive form. An **'Exchange Event'** means (a) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have or Euroclear Netherlands has, or any other agreed clearing system, as applicable, been closed for business for a continuous period of fourteen (14) days (other than by reason of holiday, statutory or otherwise) or has announced an intention permanently to cease business or has in fact done so and no alternative clearing system satisfactory to the Security Trustee is available or (b) as a result of any addition to, or change in the laws or regulations of the Netherlands or of any authority therein or thereof having power of tax, or in the interpretation or administration of such laws or regulations which becomes effective on or after the relevant Issue Date, the Issuer or any 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 if the Notes were in definitive form. If an Exchange Event occurs, then the Issuer shall, within thirty (30) days of the occurrence of the relevant event ((a) or (b)) but not prior to the Exchange Date, subject to certification as to non-United States beneficial ownership, issue Definitive Notes (together with Coupons attached) in exchange for the whole (or the remaining part(s) outstanding) of the relevant Permanent Global Note which represents such Notes.

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

In the case of Notes which are represented by a Global Note and held with or registered in the name of a Common Depositary or Common Safekeeper for Euroclear and Clearstream, Luxembourg, partial redemption will be effectuated in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion).

In the case of Notes represented by a Global Note deposited with Euroclear Netherlands, a Noteholder shall not have the right to request delivery ("*uitlevering*") thereof under the Dutch Securities Giro Transfer Act ("*Wet giraal effectenverkeer*") other than in the Exchange Event as described above.

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

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

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

The following legend will appear on all Global Notes receipts and interest coupons (including talons) which are held by Euroclear Netherlands:

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

## 4.3 Final terms

### Final terms

*Set out below is the form of Final Terms which will be completed for each Series of Notes issued under the Programme.*

[Date]

**[DOLPHIN MASTER ISSUER] B.V.**

*(incorporated under the laws of The Netherlands with limited liability and having its corporate seat in Amsterdam)*

**Issue of [•] [Principal Amount Outstanding of Class of Sub-Class of Notes of the relevant Series]**

**[Title of relevant Series of Notes]**

**[Class or Sub-class of Notes]**

**under the Euro 100,000,000,000  
Residential Mortgage Backed Note Programme**

**[Dealers/Managers]**

### PART A - CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [date] [supplemented on [date]] which constitutes a base prospectus for the purposes of the Prospectus Directive. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [as so supplemented] is available for viewing at the specified offices of the Security Trustee and the Paying Agent during normal business hours and [website.]

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]*

*[When completing any final terms, or adding any other final terms or information consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]*

1. Issuer: Dolphin Master Issuer B.V.

[(a)] Specified Currency:	[euros / U.S. Dollars / Japanese Yen / Pound Sterling / <i>other</i> ]
[(b)] Specified Notes Exchange Rate:	[[U.S. Dollars / Japanese Yen / Pound Sterling / <i>other</i> ]:EUR [ ] <i>[(other formula) include only if the Notes are denominated in a Specified Currency other than euros]</i>
Class of Notes or Sub-class of Notes:	[Class [...] Notes/Sub-class [...] Notes]
Series number:	[...]
Series:	[the Notes described herein comprise [Sub-class [1/2/3, <i>other</i> ] of] the Class [ <i>specify</i> ] Notes of Dolphin Series [ <i>specify</i> ], and together with all other Notes of Dolphin Series [ <i>specify</i> ] such Series][the Notes are consolidated with Dolphin Series [ <i>specify</i> ] and the Notes of Dolphin Series [ <i>specify</i> ] and the Notes described herein together comprise Dolphin Series [ <i>specify</i> ]
Principal Amount Outstanding:	[...]
Issue Price:	[...] per cent. of the Principal Amount Outstanding [plus accrued interest from [ <i>insert date</i> ] ( <i>in case of fungible issues only, if applicable</i> )]
Denominations:	[ <i>minimum EUR 100,000 or its equivalent in other currencies or such as may be allowed or required from time to time by the relevant bank or regulatory authority (or equivalent body) or any laws or regulations applicable to the Specified Currency</i> ]
2. Issue Date:	[...]
(a) Interest Commencement Date (if different from the Issue Date):	[...]
Final Maturity Date:	Notes Payment Date falling in or nearest to [ <i>specify month and year</i> ]
Interest Basis:	[Fixed Rate Notes] [Floating Rate Notes]

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

Fixed Rate Note Provisions	[Applicable/Not Applicable] ( <i>If not applicable, delete the remaining subparagraphs of this paragraph</i> )
(b) Fixed Rate prior to the First Optional Redemption Date:	[...] per cent. per annum

- |     |   |   |
|-----|---|---|
| (c) | Fixed Rate Interest Payment Date (prior to the First Optional Redemption Date): | [each Notes Payment Date] [each Notes Payment Date falling in [...] in each year]/[each Notes Payment Date falling in [...] and [...] in each year] |
| (d) | Indication of yield:  | [...]. The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.                          |
| (e) | Day Count Fraction  | [Actual / Actual-AFB] / [30 /360]   |

#### Floating Rate Note Provisions

Applicable  
*(Note that soft bullet Fixed Rate Notes switch to Floating Interest Rates after the Step-up date)*

- |     |  |   |
|-----|--|---|
| (f) | Interest:  | [Euribor][Dollar Libor][JPY Libor][Libor] plus Interest Margin  |
| (g) | Interest Margin prior to the First Optional Redemption Date: | [Not applicable]/[...] per cent. per annum  |
| (h) | Interest Margin after the First Optional Redemption Date:    | [...] per cent. per annum   |
| (i) | Notes Payment Date(s):                                       | [28th day of March, June, September and December of each year up to and including the Final Maturity Date]/[specify other] (or, if such day is not a Business Day (as defined in the Conditions), the next succeeding Business Day, unless such Business Day falls in the next succeeding calendar month in which event interest on the Notes will be payable on the Business Day immediately preceding such day) |
| (j) | Specified Period(s)/Specified Notes Payment Dates:           | [...]   |
| (k) | Day Count Fraction   | [Actual / 360 ] / [Actual /365]   |

#### PROVISIONS RELATING TO REDEMPTION

Pass-through Notes or Soft Bullet Notes:	[Pass-through Notes/Soft Bullet Notes]
--	--

First Optional Redemption Date:	Notes Payment Date falling in or nearest to [specify month and year]
---------------------------------	--



## GENERAL PROVISIONS APPLICABLE TO THE NOTES

Form of Notes: [[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon the occurrence of an Exchange Event]

[Permanent Global Note not exchangeable for Definitive Notes]

New Global Note: [Yes/No]

## DISTRIBUTION

(l) If syndicated, names of Managers: [Not Applicable/give names]

(m) If not syndicated, name of Manager: [Not Applicable/give names]

(n) Stabilising Manager (if any): [Not Applicable/give names]

Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: [TEFRA D/TEFRA C/TEFRA not applicable]

Additional selling restrictions: [Not Applicable/give details]

## LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the [€ 100,000,000,000] Residential Mortgage Backed Note Programme of Dolphin Master Issuer. B.V.

## RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms except in respect of [the Current Pool provided under Part C below] [the Provisional Pool[s] and the Current Pool provided under C below] [the Consolidated Pool[s] provided under C below]. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in these Final Terms is in accordance with the facts and does not omit anything likely to affect the import of such information. The Issuer accepts responsibility accordingly.

The Seller[s] accept[s] responsibility for the information contained in these Final Terms in respect of [the Current Pool provided under Part C below] [the Current Pool and the Provisional Pool[s] provided under C below] [the Consolidated Pool[s] provided under C below] to the extent such information relates to Mortgage Receivables sold by the relevant Seller. To the best of the knowledge and belief of the [Seller[s]] (which [has]/[have] taken all reasonable care to ensure that such is the case) the information contained in these Final Terms, to the extent such information relates to Mortgage Receivables sold by the relevant Seller, is in accordance with the facts and does not omit anything likely to affect the import of such information. The Seller[s] accept[s] responsibility accordingly.

Signed on behalf of the Issuer:

By: .....  
*Duly authorised*

1. LISTING

- (i) Listing: [Euronext Amsterdam/other (*specify*)/None ]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to listing and trading on [Euronext Amsterdam/*specify other*] with effect from [...]]  
[Not Applicable.]
- (iii) Estimate of total expenses related to admission to trading: [...]

2. RATINGS

Ratings: The Notes of Dolphin Series [...] to be issued have been rated:

[S&P(registered as a credit rating agency under Regulation (EC) No 1060/2009, as amended):]

[Class A Notes: [...]]

[Class B Notes: [...]]

[Class C Notes: [...]]

[Moody's (registered as a credit rating agency under Regulation (EC) No 1060/2009, as amended):]

[Class A Notes: [...]]

[Class B Notes: [...]]

[Class C Notes: [...]]

[Class D Notes: [...]]

[DBRS (registered as a credit rating agency under Regulation (EC) No 1060/2009, as amended):]

[Class A Notes: [...]]

[Class B Notes: [...]]

[Class C Notes: [...]]

[Class D Notes: [...]]

*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

### 3. NOTIFICATION

[Not applicable/The Netherlands Authority for the Financial Markets ("Autoriteit Financiële Markten", the "AFM" [has been requested to provide/has provided - *include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues*] [the names of competent authorities of host member states] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

### 4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Manager(s), so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. - *Amend as appropriate if there are other interests*]

### 5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i) Reasons for the offer [...]

*(See ["Use of Proceeds"] wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]*

(ii) Estimated net proceeds: [...]

*(Only required for listed issues. If proceeds are*

*intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*

(iii) Estimated total expenses: [...] *[Include breakdown of expenses]*

## 6. OPERATIONAL INFORMATION

(i) ISIN Code: [...]

(ii) Common Code: [...]

(iii) Clearing System(s) Euroclear and Clearstream, Luxembourg

[Euroclear Netherlands]

[Not Applicable/give name(s) and address]

(iv) If NGN form is chosen, the Common Safekeeper on the issue date: [Not Applicable/give name and address]

(v) If NGN form is not chosen, the Common Depository on the issue date, if applicable: [Not Applicable/give name and address]

(vi) Delivery: Delivery [against/free of] payment

(vii) Names and addresses of additional Paying Agent(s) (if any): [...]

(viii) New Global Note Intended to be held in a manner which would allow Eurosystem eligibility: [Yes/No]

*[Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as Common Safekeeper and does not necessarily mean that the Notes will be recognised as 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.][include this text if "yes" selected in which case the Notes must be issued in NGN form]*

## 7. OTHER NOTES ISSUED

The aggregate Principal Amount Outstanding of the Notes of Series [•] on the Issue Date of the Notes described herein issued by Dolphin Master Issuer B.V. [(converted, where applicable, into euros at the applicable Specified Notes Exchange Rate,] including the Notes described herein, will be:

[Class A Notes:	[...]
[Class B Notes:	[...]
[Class C Notes:	[...]
[Class D Notes:	[...]
[Class E Notes:	[...]

The aggregate Principal Amount Outstanding of the Notes on the Issue Date of the Notes described herein issued by Dolphin Master Issuer B.V. [(converted, where applicable, into euros at the applicable Specified Notes Exchange Rate,] including the Notes described herein, will be:

Class A Notes:	[...]
Class B Notes:	[...]
Class C Notes:	[...]
Class D Notes:	[...]
Class E Notes:	[...]

## 8. ISSUER CURRENCY SWAP

- (i) Issuer Currency Swap Agreement in respect of this Series and Class or Sub-class (necessary in case of denominations other than euros): [Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraph of this paragraph)*
- (a) Issuer Currency Swap Counterparty: [give name, address and brief description]

**PART C - INFORMATION ON, IF APPLICABLE, THE PROVISIONAL POOL[S] OF MORTGAGE RECEIVABLES TO BE SOLD TO THE [ASSET PURCHASER] ON OR ABOUT THE ISSUE DATE IN RELATION TO THIS ISSUE OF NOTES AND , IF APPLICABLE, THE CURRENT POOL OF MORTGAGE RECEIVABLES HELD BY THE ASSET PURCHASER**

*[Include if applicable]* [The numerical data set out below relate to a consolidated pool of Mortgage Loans (the '**Consolidated Pool**') as of [...], which combines a provisional pool of Mortgage Loans (the '**Provisional Pool**') and the pool of Mortgage Receivables held by the Asset Purchaser prior to the Issue Date (the '**Current Pool**'). A final portfolio will be selected on or before the Issue Date, from the Provisional Pool and, as a result of repayments, prepayments, new production and other circumstances, may also include other mortgage loans which were not included in the Provisional Pool. The information on the Provisional Pool set out below may therefore not necessarily correspond to the Mortgage Receivables actually sold by the relevant Seller or Sellers to the Asset Purchaser on the Issue Date. The numerical information in respect of the Current Pool will relate to the Current Pool which will be determined prior to the relevant Issue Date. Therefore, the information set out below in respect of the Current Pool may not entirely reflect the Current Pool as it is on the relevant Issue Date.]

*[Include if at the relevant Issue Date no New Mortgage Receivables will be sold to the Asset Purchaser]* [The numerical data set out below relate to the pool of Mortgage Receivables held by the Asset Purchaser prior to the Issue Date (the '**Current Pool**') as of [...]. The numerical information in respect of the Current Pool will relate to the Current Pool which will be determined prior to the relevant Issue Date. Therefore, the information set out below in respect of the Current Pool may not entirely reflect the Current Pool as it is on the relevant Issue Date.]

*[Include if at the relevant Issue Date New Mortgage Receivables will be sold to the Asset Purchaser and no Consolidated Pool is provided]* [The numerical data set out below relate to a provisional pool of Mortgage Loans (the '**Provisional Pool**') as of [...] of the Asset Purchaser and to the pool of Mortgage Receivables held by the Asset Purchaser prior to the Issue Date (the '**Current Pool**') as of [...]. A final portfolio will be selected on or before the Issue Date, from the Provisional Pool and, as a result of repayments, prepayments, new production and other circumstances, may also include other mortgage loans which were not included in the Provisional Pool. The information on the Provisional Pool set out below may therefore not necessarily correspond to the Mortgage Receivables actually sold by the relevant Seller or Sellers to the Asset Purchaser on the Issue Date.]

*[The following is an example of the information which may be provided in the applicable Final Terms. If applicable, details of the Current Pool and/or Provisional Pool and/or Consolidated Pool may be provided in the below manner or in a similar manner. For each Final Terms the specific information in the tables will, if necessary, be adjusted.]*

Portfolio Characteristics				
Type of loan	#Loans	#Loanparts	Gross	Net
Ultimo				
Repurchased				
Total				
Details			Amounts in euro	
Cut-Off Date				
Principal amount				
Value of savings deposits				
Outstanding principal balance				
Building deposits				
Outstanding principal balance excl. building and savings deposits				
Number of loans				
Number of loanparts				
Average principal balance (loan)				
Average principal balance (loanpart)				
Remaining interest Period (in years)				
First interest reset date				
Last interest reset date				
Maximum current interest				
Minimum current interest				
Weighted average current coupon (WACC)				
Weighted average maturity (in years) (WAM)				
Weighted average seasoning (in years)				
Weighted average LTFV *				
Weighted average LTFV (indexed) *				
Weighted average LTMV *				
Weighted average LTMV (indexed) *				
% Owner occupied				
* LTV based on: notional / collateral value				

\* LTV based on: notional / collateral value

Redemption Type						
Description	Current Period					
	Aggregate Outstanding Amount (EUR)	% of Total	No. of Loanparts	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)
Annuity						
Bank Savings						
Bridge loan						
Flexible loan						
Hybrid						
Interest only						
Investment						
Investment Insurance						
Life investment						
Linear						
Not pledged collateral						
Other						
Private Banking / Personal						
Business						
Private loan						
Savings						
Savings (external)						
Universal life						
<b>Total</b>						

Geographical Distribution						
Province	Current Period					
	Aggregate Outstanding Amount (EUR)	% of Total	No. of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)
Unspecified						
Drenthe						
Flevoland						
Friesland						
Gelderland						
Groningen						
Limburg						
Noord-Brabant						
Noord-Holland						
Overijssel						
Utrecht						
Zeeland						
Zuid-Holland						
<b>Total</b>						



Interest Reset Interval		Current Period					
From Years ( > )	Until Years ( <= )	Aggregate Outstanding Amount (EUR)	% of Total	No. of Loanparts	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)
<	1						
1	2						
2	3						
3	4						
4	5						
5	6						
6	7						
7	8						
8	9						
9	10						
10	11						
11	12						
12	13						
13	14						
14	15						
15	16						
16	17						
17	18						
18	19						
19	20						
20	21						
21	22						
22	23						
23	24						
24	25						
25	26						
26	27						
27	28						
28	29						
29	30						
30	>						
Unknown*							
		Total					

Loan To Original Foreclosure Value		( based on notional / collateral value					
		Current Period					
From ( > )	Until ( <= )	Aggregate Outstanding Amount (EUR)	% of Total	No. of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)
NHG Garantie							
<	40%						
40%	50%						
50%	55%						
55%	60%						
60%	65%						
65%	70%						
70%	75%						
75%	80%						
80%	85%						
85%	90%						
90%	95%						
95%	100%						
100%	105%						
105%	110%						
110%	115%						
115%	120%						
120%	125%						
125%	130%						
130%	135%						
135%	140%						
140%	145%						
145%	150%						
150%	>						
Unknown*							
		Total					

Loan To Indexed Foreclosure Value		( based on notional / collateral value )					
		Current Period					
From ( > )	Until ( <= )	Aggregate Outstanding Amount (EUR)	% of Total	No. of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)
NHG Garantie							
<	40%						
40%	50%						
50%	55%						
55%	60%						
60%	65%						
65%	70%						
70%	75%						
75%	80%						
80%	85%						
85%	90%						
90%	95%						
95%	100%						
100%	105%						
105%	110%						
110%	115%						
115%	120%						
120%	125%						
125%	130%						
130%	135%						
135%	140%						
140%	145%						
145%	150%						
150%	>						
Unknown*							
		Total					

Interest Rate Group							
		Current Period					
From ( > )	Until ( <= )	Aggregate Outstanding Amount (EUR)	% of Total	No. of Loanparts	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)
<	3,00%						
3,00%	3,50%						
3,50%	4,00%						
4,00%	4,50%						
4,50%	5,00%						
5,00%	5,50%						
5,50%	6,00%						
6,00%	6,50%						
6,50%	7,00%						
7,00%	>						
Unknown*							
		Total					

Loan To Original Market Value		( based on notional / collateral value					
		Current Period					
From ( > )	Until ( <= )	Aggregate Outstanding Amount (EUR)	% of Total	No. of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)
NHG Garantie							
<	40%						
40%	50%						
50%	55%						
55%	60%						
60%	65%						
65%	70%						
70%	75%						
75%	80%						
80%	85%						
85%	90%						
90%	95%						
95%	100%						
100%	105%						
105%	110%						
110%	115%						
115%	120%						
120%	125%						
125%	130%						
130%	135%						
135%	140%						
140%	145%						
145%	150%						
150%	>						
Unknown*							
Total							

Maturity Date		Current Period					
From Year ( >= )	Until Year ( < )	Aggregate Outstanding Amount (EUR)	% of Total	No. of Loanparts	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)
<	2012						
2012	2017						
2017	2022						
2022	2027						
2027	2032						
2032	2037						
2037	2042						
2042	>						
Unknown*							
Total							

Loan To Indexed Market Value <span>( based on notional / collateral value )</span>							
Current Period							
From ( > )	Until ( <= )	Aggregate Outstanding Amount (EUR)	% of Total	No. of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)
NHG Garantie							
<	40%						
40%	50%						
50%	55%						
55%	60%						
60%	65%						
65%	70%						
70%	75%						
75%	80%						
80%	85%						
85%	90%						
90%	95%						
95%	100%						
100%	105%						
105%	110%						
110%	115%						
115%	120%						
120%	125%						
125%	130%						
130%	135%						
135%	140%						
140%	145%						
145%	150%						
150%	>						
Unknown*							
Total							

Mortgage Loan Size							
Current Period							
From EUR ( > )	Until EUR ( <= )	Aggregate Outstanding Amount (EUR)	% of Total	No. of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)
<	100.000						
100.000	200.000						
200.000	300.000						
300.000	400.000						
400.000	500.000						
500.000	600.000						
600.000	700.000						
700.000	800.000						
800.000	900.000						
900.000	1.000.000						
1.000.000	>						
Unknown*							
Total							

Origination Year		Current Period					
From Year (>=)	Until Year (<)	Aggregate Outstanding Amount (EUR)	% of Total	No. of Loanparts	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)
<	1995						
1995	1996						
1996	1997						
1997	1998						
1998	1999						
1999	2000						
2000	2001						
2001	2002						
2002	2003						
2003	2004						
2004	2005						
2005	2006						
2006	2007						
2007	2008						
2008	2009						
2009	2010						
2010	2011						
2011	2012						
2012	>						
Unknown*							
		Total					

Underlying Property						
Property type	Current Period				Weighted Average Coupon	Weighted Average Maturity (year)
	Aggregate Outstanding Amount (EUR)	% of Total	No. of Borrowers	% of Total		
Building site with residential purpose						
Commercial collateral						
Commercial property						
Condominium/apartment						
Condominium/apartment with garage						
Farmhouse						
Garage						
House boat						
Other property						
Recreational home						
Residential property with commercial space						
Residential property with shop						
Rural estate						
Shop						
Single family house						
Single family house with garage						
Unspecified*						
<b>Total</b>						



Seasoning							
Current Period							
From Years (≥)	Until Years (<)	Aggregate Outstanding Amount (EUR)	% of Total	No. of Loanparts	% of Total	Weighted Average Coupon	Weighted Average Maturity (year)
<	1						
1	2						
2	3						
3	4						
4	5						
5	6						
6	7						
7	8						
8	9						
9	10						
10	11						
11	12						
12	13						
13	14						
14	15						
15	16						
16	17						
17	18						
18	19						
19	20						
20	>						
Unknown*							
Total							

\*: This item is included in view of the systems used to produce the stratifications, and serves to ensure that stratifications on the entire pool are available even in the unlikely event that the relevant data are not sourced.

End of Final Terms

## 4.4 Issuance test

The Notes will be issued pursuant to the Issuer Trust Deed. In this section the material terms of the Notes and the Issuer Trust Deed relating to the issuance of the Notes are summarised. These summaries do not purport to be complete and are subject to the provisions of the Issuer Trust Deed and the Conditions.

### General

The Notes will be issued in Series. Each Series will comprise of one or more Classes of Notes issued on a single issue date and any Class of Notes issued on any other day which is expressed to be consolidated and is identical in all respects except for the Issue Date, interest commencement date and issue price, with any of the Classes of Notes issued on such given day. A Class designation determines the relative seniority for receipt of cash flows. The Notes of a particular Class in different Series (and the Notes of different Sub-classes of the same Class and Series) will not necessarily have all the same terms. Differences may include principal amount, interest rates, interest rate calculations, dates and final maturity dates. Each Series and Class of Notes will be secured over the Mortgage Receivables. The specific terms of each Series of Notes will be set forth in the related Final Terms.

### Issuance

The Issuer may issue new Series and Classes of Notes or Sub-classes thereof from time to time on any date without obtaining the consent of existing Noteholders. As a general matter the Issuer may only issue a new Series and Class or Sub-class of Notes if sufficient subordination is available for that new Series and Class of Notes by one or more lower ranking Classes of Notes. The conditions and tests (including the required levels of subordination) necessary to issue a Series and Class of Notes (the '**Issuance Test**'), are the following:

#### All Classes of Notes

On the Issue Date of any Series and Class of Notes:

- No Event of Default shall have occurred which is continuing or will occur as a consequence of such issuance;
- There may be no debit balance on the Issuer Principal Deficiency Ledger;
- No Enforcement Notice has been served on the Issuer by the Security Trustee;
- No Trigger Event shall have occurred or will occur as a consequence of such issuance;
- Each Credit Rating Agency has provided a Credit Rating Agency Confirmation (in the form as set out in limb (a) of the definition thereof) in respect of such issue of Notes; and
- The Asset Purchaser Swap Counterparty consents to such issue of Notes.

AND

#### For the Class A Notes of any Series,

On the Issue Date for that Series of Notes, the Class A Available Subordinated Amount must be equal to or greater than the Class A Required Subordinated Amount.

- The '**Class A Required Subordinated Amount**' is calculated, on any date, as the product of:

$$A \times B$$

where:

- A = the '**Class A Required Subordinated Percentage**', which is equal to 7.9 per cent.; and
- B = the Principal Amount Outstanding of all Notes (other than the Class E Notes) on such date (after giving effect to (i) any payments of principal to be made on the Notes and (ii) the issuance of Notes on such date).

- The '**Class A Available Subordinated Amount**' is calculated, on any date, as the sum of (a) the aggregate Principal Amount Outstanding of the Class B Notes of all Series, the Class C Notes of all Series and the Class D Notes of all Series (after giving effect to (i) any payments of principal to be made on the Notes and (ii) the issuance of Notes on such date); and (b) the

amount of the Unreserved Ledger on such date, less (c) any Class B Principal Deficiency, Class C Principal Deficiency and Class D Principal Deficiency.

***For the Class B Notes of any Series,***

On the Issue Date for that Series of Notes, the Class B Available Subordinated Amount must be equal to or greater than the Class B Required Subordinated Amount.

- The '**Class B Required Subordinated Amount**' is calculated, on any date, as the product of:

$$A \times B$$

where:

- A = the '**Class B Required Subordinated Percentage**', which is equal to 5.7 per cent.; and
- B = the Principal Amount Outstanding of all Notes (other than the Class E Notes) on such date (after giving effect to (i) any payments of principal to be made on the Notes and (ii) the issuance of Notes on such date)

- The '**Class B Available Subordinated Amount**' is calculated, on any date, as the sum of (a) the aggregate Principal Amount Outstanding of the Class C Notes of all Series and the Class D Notes of all Series (after giving effect to (i) any payments of principal to be made on the Notes and (ii) the issuance of Notes on such date); and (b) the amount of the Unreserved Ledger on such date, less (c) any Class C Principal Deficiency and any Class D Principal Deficiency.

***For the Class C Notes of any Series,***

On the Issue Date for that Series of Notes, the Class C Available Subordinated Amount must be equal to or greater than the Class C Required Subordinated Amount.

- The '**Class C Required Subordinated Amount**' is calculated, on any date, as the product of:

$$A \times B$$

where:

- A = the '**Class C Required Subordinated Percentage**', which is equal to 3.10 per cent.; and
- B = the Principal Amount Outstanding of all Notes (other than the Class E Notes) on such date (after giving effect to (i) any payments of principal to be made on the Notes and (ii) the issuance of Notes on such date)

- The '**Class C Available Subordinated Amount**' is calculated, on any date, as the sum of (a) the aggregate Principal Amount Outstanding of the Class D Notes of all Series (after giving effect to (i) any payments of principal to be made on the Notes and (ii) the issuance of Notes on such date); and (b) the amount of the Unreserved Ledger on such date, less (c) any Class D Principal Deficiency.

***For the Class D Notes of any Series,***

On the Issue Date for that Series of Notes, the Class D Available Subordinated Amount must be equal to or greater than the Class D Required Subordinated Amount.

- The '**Class D Required Subordinated Amount**' is calculated, on any date, as the product of:

$$A \times B$$

where:

- A = the Class D Required Subordinated Percentage, which is equal to 0.90 per cent.; and
- B = the Principal Amount Outstanding of all Notes (other than the Class E Notes) on such date (after giving effect to (i) any payments of principal to be made on the Notes and (ii) the issuance of Notes on such date)

- The '**Class D Available Subordinated Amount**' is calculated, on any date, the amount of the Unreserved Ledger on such date.

The Class A Required Subordinated Percentage, the Class B Required Subordinated Percentage, the Class C Required Subordinated Percentage and the Class D Required Subordinated Percentage may be changed by the Issuer from time to time without the consent of the Security Trustee or the Noteholders. Such change may only be made if Credit Rating Agency Confirmation

(in the form as set out in limb (a) of the definition thereof) has become available in respect of such change.

## 4.5 Repayment test

In this section the conditions and tests for the repayment of the Subordinated Notes are summarised. This summary does not purport to be complete and is subject to the provisions of the Issuer Trust Deed and the Conditions.

The Issuer is obliged to redeem a Series and Class of Notes when due in accordance with and subject to the Conditions and the Applicable Final Terms. Such redemption will for the Subordinated Notes be subject to conditions and tests. As a general matter the Issuer may only repay any Series and Class or Sub-class of Notes if sufficient subordination is provided for the remaining Series and Classes of Notes by one or more subordinate Classes of Notes. The conditions and tests (including the required levels of subordination) necessary to repay a Series and Class or Sub-class of Subordinated Notes (the '**Repayment Test**') on a Notes Payment Date are the following:

- (i) for any Class B Note, the amount of principal due (or any part thereof) in respect of the Class B Notes may only be paid if and to the extent that, after giving effect to (i) such payment and other payments of principal on the Notes and (ii) the issuance of Notes on such date, the Class A Available Subordinated Amount is at least equal to the Class A Required Subordinated Amount on such Notes Payment Date or, if the Class A Available Subordinated Amount is lower than the Class A Required Subordinated Amount, the Class A Available Subordinated Amount is at least equal to the Class A Available Subordinated Amount before giving effect to such payments and issuances;
- (ii) for any Class C Note, the amount of principal due (or any part thereof) in respect of the Class C Notes may only be paid if and to the extent that, after giving effect to (i) such payment and other payments of principal on the Notes and (ii) the issuance of Notes on such date, the Class A Available Subordinated Amount is at least equal to the Class A Required Subordinated Amount and the Class B Available Subordinated Amount is at least equal to the Class B Required Subordinated Amount on such Notes Payment Date or, if the Class A Available Subordinated Amount and/or the Class B Available Subordinated Amount are, or as the case may be, is lower than the Class A Required Subordinated Amount and/or the Class B Required Subordinated Amount respectively, the Class A Available Subordinated Amount and/or the Class B Available Subordinated Amount are or, as the case may be, is at least equal to the Class A Available Subordinated Amount and/or the Class B Available Subordinated Amount respectively before giving effect to such payments and issuances;
- (iii) for any Class D Note, the amount of principal due (or any part thereof) in respect of the Class D Notes may only be paid if and to the extent that, after giving effect to (i) such payment and other payments of principal on the Notes and (ii) the issuance of Notes on such date, the Class A Available Subordinated Amount is at least equal to the Class A Required Subordinated Amount, the Class B Available Subordinated Amount is at least equal to the Class B Required Subordinated Amount and the Class C Available Subordinated Amount is at least equal to the Class C Required Subordinated Amount on such Notes Payment Date or, if the Class A Available Subordinated Amount, the Class B Available Subordinated Amount and/or the Class C Available Subordinated Amount are or, as the case may be, is lower than the Class A Required Subordinated Amount, the Class B Required Subordinated Amount and/or the Class C Required Subordinated Amount respectively, the Class A Available Subordinated Amount, the Class B Available Subordinated Amount and/or the Class C Available Subordinated Amount is at least equal to the Class A Available Subordinated Amount, the Class B Available Subordinated Amount and/or the Class C Available Subordinated Amount respectively, before giving effect to such payments and issuances; and

- (iv) for any Class E Note, the amount of principal due (or any part thereof) in respect of the Class E Notes may only be paid if and to the extent that, after giving effect to (i) such payment and other payments of principal on the Notes and (ii) the issuance of Notes on such date, the Class A Available Subordinated Amount is at least equal to the Class A Required Subordinated Amount, the Class B Available Subordinated Amount is at least equal to the Class B Required Subordinated Amount, the Class C Available Subordinated Amount is at least equal to the Class C Required Subordinated Amount and the Class D Available Subordinated Amount is at least equal to the Class D Required Subordinated Amount on such Notes Payment Date or, if the Class A Available Subordinated Amount, the Class B Available Subordinated Amount, the Class C Available Subordinated Amount and/or the Class D Available Subordinated Amount are or, as the case may be, is lower than the Class A Required Subordinated Amount, the Class B Required Subordinated Amount, the Class C Required Subordinated Amount and/or the Class D Required Subordinated Amount respectively, the Class A Available Subordinated Amount, the Class B Available Subordinated Amount, the Class C Available Subordinated Amount and/or the Class D Available Subordinated Amount are or, as the case may be, is at least equal to the Class A Available Subordinated Amount, the Class B Available Subordinated Amount, the Class C Available Subordinated Amount and/or the Class D Available Subordinated Amount respectively, before giving effect to such payments and issuances.

## 4.6 Subscription and sale

ABN AMRO Bank as Dealer has agreed and each Dealer (and Manager, as defined in the Applicable Final Terms) shall agree with the Issuer a basis upon which they or any of them may agree to purchase Notes. Any such agreement will extend to those matters stated under section 4.3 (*Final Terms*) and section 4.1 (*Terms and Conditions of the Notes*). In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the redocumentation of the Programme and the issue of Notes under the Programme.

### European Economic Area

In relation to each Relevant Member State, each Manager has represented and agreed, and each further manager appointed under the transaction will be required to represent and agree, that with effect from and including the Relevant Implementation Date it has not made and will not make an offer of Notes which is the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State: (i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive; (ii) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the Directive 2010/73/EC of the European Parliament and of the Council of 24 November 2010, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of each Manager nominated by the Issuer for any such offer; or (iii) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Notes referred to in (i) to (iii) above shall require the Issuer or each 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 Member State by any measure implementing the Prospectus Directive in that Member State.

### France

The Notes may only be offered or sold to qualified investors ("*investisseurs qualifiés*") and/or to a restricted circle of investors ("*cercle restreint d'investisseurs*"), provided such investors act for their own account, and/or to persons providing portfolio management financial services ("*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*"), in the Republic of France, within the meaning of Article L.411-1, L.411-2 and D.411-1 to D.411-4, D. 734-1, D. 744-1, D. 754-1 and D. 764-1 of the French Code Monétaire et Financier (Monetary and Financial Code).

The Base Prospectus, which has not been submitted to the *Autorité des Marchés Financiers*, and any information contained therein and any offering material relating to the Notes, are not to be further distributed or reproduced (in whole or in part) by the addressee and have been distributed on the basis the addressee invests for its own account, as necessary, and does not resell or otherwise retransfer, directly or indirectly, the Notes to the public in the Republic of France, other than in compliance with articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the French Monetary and Financial Code. Persons in to whose possession this offering material comes must inform themselves about and observe any such restrictions.

### Italy

No action has or will be taken by the Dealer, nor any further Dealer (and Manager) appointed, which would allow a public offering (or a "*offerta al pubblico*") of the Notes to the public in the Republic of Italy unless in compliance with the relevant Italian securities, tax and other applicable laws and regulations; and no application has been filed to obtain an authorisation from the Commissione Nazionale per le Società e la Borsa ("*Consob*") for the public offering of the Notes in the Republic of Italy ("*Italy*").

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

- (i) to the categories of qualified investors (*investitori qualificati*) including individuals and small and medium size enterprises, as defined by CONSOB Regulation no. 11971 of 14 May 1999, as amended from time to time and recently supplemented by resolution n. 17326 of 13 May 2010 and resolution n. 17389 of 23 June 2010, on the basis of the relevant criteria set out by the Prospectus Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, pursuant to art. 100, paragraph 1, lett. a) of Italian Legislative Decree no. 58 of 24 February 1998, as amended ("Decree No. 58")
- (ii) in any other circumstances where an express exemption from compliance with the rules relating to public offers of financial products (*offerta al pubblico di prodotti finanziari*) provided for by Decree 58 and the relevant implementing regulations (including CONSOB Regulation no. 11971 of 14 May 1999, as amended) applies.

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

- (a) by investment firms, banks or financial intermediaries permitted to conduct such activities in Italy and to the extent duly authorised to engage in the placement and/or underwriting of financial instruments in Italy, in accordance with Legislative Decree No. 385 of 1 September 1993, as amended, Decree No. 58, CONSOB Regulation No. 16190 of 31 October 2007 and any other applicable laws and regulations;
- (b) only to qualified investors (*investitori qualificati*) as set out above;
- (c) in compliance with any other applicable laws and regulations and other possible requirements or limitations which may be imposed by Italian authorities.

The Notes cannot be offered, sold or delivered on a retail basis, either in the primary or in the secondary market, to any individuals residing in Italy.

#### **United Kingdom**

The Dealer will represent and agree and each further Dealer (and Manager) appointed will be required to represent and agree that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom

#### **United States**

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



The Dealer will agree, and each further Dealer (and Manager) appointed will be required to agree, that it will not offer, sell or deliver the Notes (i) as part of its distribution at any time and (ii) otherwise until forty (40) days after the later of the commencement of the offering on the Issue Date within the United States or to, or for the account or benefit of, US persons and it will have sent to each distributor, Dealer or person receiving a selling concession, fee or other remuneration to which it sells Notes during the distribution compliance period (as defined in Regulation S) a confirmation or other notice setting forth the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, US persons.

In addition, until forty (40) days after the commencement of the offering, an offer or sale of the Notes within the United States by any Dealer (or Manager) (whether or not participating in the purchase) may violate the registration requirements of the US Securities Act. Terms used in these paragraphs have the meanings given to them by Regulation S and the US Internal Revenue Code and regulations thereunder.

#### **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the 'FIEL') and the Dealer will agree and each further Dealer (and Manager) appointed will be required to agree, that it will not offer or sell Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which terms as used herein means any person resident in Japan, including any corporation or other entity organised under the Laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and any other applicable laws and regulations of Japan.

#### **General**

The Dealer will agree and each further Dealer (and Manager) appointed will be required to agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers or sells Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any Dealer (or Manager) shall have any responsibility therefor.

Neither the Issuer nor the Dealer shall represent, nor any further Dealer (or Manager) appointed will be required to represent, that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

## 4.7 Regulatory and industry compliance

### **Retention and disclosure requirements under the Capital Requirements Directive**

In respect of each issue of Notes under the Programme, ABN AMRO Bank N.V. (i) in its capacity as Seller, and (ii) with respect to Direktbank N.V., Oosteroever Hypotheken B.V. and Quion 9 B.V., in its capacity as allowed entity under article 122a paragraph 2 of the CRD, shall, or undertakes that any entity designated by ABN AMRO Bank N.V. as allowed entity under paragraph 2 of article 122a of the CRD shall, retain, on an ongoing basis, a material net economic interest which, in any event, shall not be less than 5% in accordance with the CRD. At the date of this Base Prospectus such undertaking is complied with in accordance with item (a) of article 122a paragraph 1 of the CRD, by holding at least 5% of the Notes of each tranche (i.e. Class) issued under the Programme. The Sellers shall in each Notes Purchase Agreement undertake compliance with article 122a of the CRD to the relevant Dealers, the Managers involved in the issue and the Issuer.

In addition, each Seller shall (i) adhere to the requirements set out in paragraph 6 of article 122a of the CRD and (ii) make appropriate disclosures to Noteholders about the retained net economic interest in the Programme and ensure that the Noteholders have readily available access to all materially relevant data as required under paragraph 7 of article 122a of the CRD.

Prospective Noteholders should make themselves aware of the requirements of article 122a of the CRD, where applicable to them, in addition to any other regulatory requirements applicable to them with respect to their investment in the Notes.

In each Notes Purchase Agreement, each Seller shall undertake to the Dealers or the Managers involved in the issue and the Issuer that it shall at all times comply with article 122a of the CRD.

After the date of this Base Prospectus, the Issuer will provide an overview of the retention of the material net economic interest by ABN AMRO Bank N.V. in compliance with the CRD in the quarterly reports available to investors (see item 8 of the chapter *General Information*).

ABN AMRO Bank N.V. and the other Sellers accept responsibility for the information set out in this *Regulatory and Industry Compliance* section.

### **Dutch Securitisation Standard**

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

#### **4.8 Use of proceeds**

The net proceeds from the issue of the Notes, other than the Class E Notes, will be applied by the Issuer (i) to provide the Asset Purchaser with an IC Loan, (ii) to redeem other Notes, (iii) to purchase other Notes or (iv) will be credited to the Issuer Pre-Funded Account.

The Asset Purchaser will use the net proceeds from the IC Loan to pay to the relevant Seller (part of) the Initial Purchase Price for the purchase of Relevant New Mortgage Receivables and Relevant Further Advance Mortgage Receivables pursuant to the Asset Purchaser Mortgage Receivables Purchase Agreement from time to time.

The net proceeds from the issue of Class E Notes will be credited by the Issuer to the Reserve Account or will be available to redeem other Notes.

## 4.9 Taxation in the Netherlands

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

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

Subject to the foregoing:

1. No registration, stamp, transfer or turnover taxes or other similar duties or taxes will be payable in the Netherlands in respect of the offering and the Issue of the Notes by the Issuer or in respect of the signing and delivery of the Documents.
2. No Netherlands withholding tax will be due on payments of principal and/or interest.
3. A Noteholder will not be subject to Netherlands taxes on income or capital gains in respect of the acquisition or holding of Notes or any payment under the Notes or in respect of any gain realised on the disposal or redemption of the Notes, provided that:
  - (i) such Noteholder is neither a resident nor deemed to be a resident nor has opted to be treated as a resident in the Netherlands; and
  - (ii) such Noteholder does not have an enterprise or an interest in an enterprise that, in whole or in part, is carried on through a permanent establishment or a permanent representative in the Netherlands and to which permanent establishment or permanent representative the Notes are attributable;

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

- (iii) such Noteholder does not have a substantial interest\* in the share capital of the Issuer and/or the Asset Purchaser and/or any Seller or in the event that such Holder does have such an interest, such interest either forms part of the assets of an enterprise or such interest is not held with the main purpose or one of the main purposes of evading income tax or dividend tax;
- (iv) such Noteholder does not have a deemed Netherlands enterprise to which enterprise the Notes are attributable;

and, if the Noteholder is a natural person,

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

\*Generally speaking, an interest in the share capital of the Issuer and/or the Asset Purchaser and/or any Seller should not be considered as a substantial interest if the Noteholder of such interest, and if the Noteholder is a natural person his spouse, registered partner, certain other relatives or certain

persons sharing the Noteholder household, do not hold, alone or together, whether directly or indirectly, the ownership of, or certain rights over, shares or rights resembling shares representing five per cent. or more of the total issued and outstanding capital, or the issued and outstanding capital of any class of shares, of the Issuer and/or the Asset Purchaser and/or any Seller.

4. No Netherlands gift or inheritance taxes will arise on the transfer of the Notes by way of a gift by, or on the death of, a Noteholder who is neither resident nor deemed to be resident in the Netherlands, unless:
  - (i) in case of a gift of the Notes under a suspensive condition by an individual who at the date of the gift was neither resident nor deemed to be resident in the Netherlands, such individual is resident or deemed to be resident in the Netherlands at the date
    - (a) of the fulfillment of the condition; or
    - (b) of his/her death and the condition of the gift is fulfilled after the date of his/her death.
  - (ii) in case of a gift of Notes by an individual who at the date of the gift or - in case of a gift under a suspensive condition - at the date of the fulfillment of the condition was neither resident nor deemed to be resident in the Netherlands, such individual dies within 180 days after the date of the gift or the fulfillment of the condition, while being resident or deemed to be resident in the Netherlands.

## 4.10 Security

As further security for the performance by the Issuer and the Asset Purchaser of their obligations under the Transaction Documents, the Issuer and the Asset Purchaser grant rights of pledge on (most of) their assets in favour of the Security Trustee. In order to secure the valid creation of these pledges, the Issuer and the Asset Purchaser will undertake as a separate and independent obligation, by way of parallel debt, to pay to the Security Trustee amounts equal to the amounts due by it to the Programme Secured Creditors. These Programme Parallel Debts and the corresponding Pledge Agreements are described in more detail below.

The Issuer will enter into an Issuer Parallel Debt Agreement. In the Issuer Parallel Debt Agreement the Issuer will irrevocably and unconditionally undertake to pay to the Security Trustee the Issuer Parallel Debt, which is an amount equal to the aggregate amount due ("*verschuldigd*") by the Issuer:

- (i) as fees or other remuneration to the Issuer Director, the Security Trustee Director and the Shareholder Director under the Issuer Management Agreement, the Security Trustee Management Agreement and the Shareholder Management Agreement;
- (ii) as fees and expenses to the Issuer Administrator under the Issuer Administration Agreement;
- (iii) as fees and expenses to the Paying Agents and the Reference Agent under the Paying Agency Agreement;
- (iv) after accession of an Issuer Currency Swap Counterparty, to each such Issuer Currency Swap Counterparty under the relevant Issuer Currency Swap Agreement; and
- (v) to the Noteholders under the Notes;

The Issuer Parallel Debt constitutes the separate and independent obligations of the Issuer and constitutes the Security Trustee's own separate and independent claim ("*eigen en zelfstandige vordering*") to receive payment of the Issuer Parallel Debt from the Issuer. Upon receipt by the Security Trustee of any amount in payment of the Issuer Parallel Debt, the payment obligations of the Issuer to the Issuer Secured Creditors shall be reduced by an amount equal to the amount so received.

The Asset Purchaser will enter into an Asset Purchaser Trust Agreement. In the Asset Purchaser Trust Agreement, the Asset Purchaser will irrevocably and unconditionally guarantee the obligations of the Issuer under the Issuer Parallel Debt to the Security Trustee (the '**Asset Purchaser Guarantee**').

In the Asset Purchaser Trust Agreement the Asset Purchaser will also irrevocably and unconditionally undertake to pay to the Security Trustee the Asset Purchaser Parallel Debt, which is an amount equal to the aggregate amount due ("*verschuldigd*") by the Asset Purchaser:

- (i) as fees or other remuneration to the Asset Purchaser Director under the Asset Purchaser Management Agreement, (ii) the Security Trustee Director under the Security Trustee Management Agreement and (iii) the Shareholder Director under the Shareholder Management Agreement;
- (ii) as fees and expenses to the Asset Purchaser Administrator under the Asset Purchaser Administration Agreement and the Pool Servicer under the Asset Purchaser Servicing Agreement;
- (iii) to the Asset Purchaser Swap Counterparty under the Asset Purchaser Swap Agreement;
- (iv) to each Seller (a) under the Asset Purchaser Mortgage Receivables Purchase Agreement and (b) under the relevant Deeds of Sale, Assignment and Pledge;
- (v) to each Insurance Savings Participant under the relevant Asset Purchaser Insurance Savings Participation Agreement;
- (vi) to each Bank Savings Participant under the Asset Purchaser Bank Savings Participation Agreement; and
- (vii) to the Issuer under the IC Loan Agreement.

The Asset Purchaser Parallel Debt constitutes the separate and independent obligations of the Asset Purchaser and constitutes the Security Trustee's own separate and independent claim ("*eigen en*

*zelfstandige vordering*") to receive payment of the Asset Purchaser Parallel Debt from the Asset Purchaser. Upon receipt by the Security Trustee of any amount in payment of the Asset Purchaser Parallel Debt, the payment obligations of the Asset Purchaser to the Asset Purchaser Secured Creditors shall be reduced by an amount equal to the amount so received.

To the extent that, following the delivery of an Enforcement Notice, the Security Trustee irrevocably and unconditionally receives any amount in payment of the Issuer Parallel Debt, the Asset Purchaser Parallel Debt and the Asset Purchaser Guarantee, the Security Trustee shall distribute such amount among the Programme Secured Parties in accordance with the Priority of Payments upon Enforcement, save for amounts due to the Insurance Savings Participants or Bank Savings Participants in connection with the relevant Participation. The amounts due to the Programme Secured Creditors, other than the Insurance Savings Participants and Bank Savings Participants, will broadly be equal to amounts recovered ("*verhaald*") by the Security Trustee on the Mortgage Receivables and the other assets pledged under the Asset Purchaser Mortgage Receivables Pledge Agreement and the Asset Purchaser Rights Pledge Agreement and the Issuer Rights Pledge Agreement, but in respect of the Savings Mortgage Receivables, Hybrid Mortgage Receivables and Bank Savings Mortgage Receivables, only to the extent the amount received exceeds the Participation in the relevant Savings Mortgage Receivables, the relevant Hybrid Mortgage Receivables or the relevant Bank Savings Mortgage Receivables.

The Asset Purchaser undertakes to grant a first ranking right of pledge ("*pandrecht*") in the relevant Deed of Sale, Assignment and Pledge under the Asset Purchaser Mortgage Receivables Pledge Agreement over the Mortgage Receivables and any Beneficiary Rights relating thereto to the Security Trustee. Such right of pledge will in respect of the Mortgage Receivables and any Beneficiary Rights relating thereto be vested on each Mortgage Purchase Date on which they are acquired, and will secure the payment obligations of the Asset Purchaser to the Security Trustee under the Asset Purchaser Trust Agreement, including the Asset Purchaser Parallel Debt and the Asset Purchaser Guarantee and any other Asset Purchaser Transaction Documents. The pledge on the Mortgage Receivables and the Beneficiary Rights relating thereto will not be notified to the Borrowers, except in case of the occurrence of the Asset Purchaser Pledge Notification Events. Prior to notification of the pledge to the Borrowers and the Insurance Companies, the pledge will be a 'silent' right of pledge ("*stil pandrecht*") within the meaning of section 3:239 of the Dutch Civil Code.

The Asset Purchaser will also vest rights of pledge in favour of the Security Trustee under the Asset Purchaser Rights Pledge Agreement. The rights of pledge created in the Asset Purchaser Rights Pledge Agreement secure, *inter alia*, any and all liabilities of the Asset Purchaser to the Security Trustee resulting from or in connection with the Asset Purchaser Trust Agreement, including the Asset Purchaser Parallel Debt and the Asset Purchaser Guarantee, and any other Asset Purchaser Transaction Documents and will be vested on all rights of the Asset Purchaser under or in connection with (i) the Asset Purchaser Mortgage Receivables Purchase Agreement, (ii) the Asset Purchaser Servicing Agreement, (iii) the Asset Purchaser Administration Agreement, (iv) the Asset Purchaser Account Agreement (v) the Asset Purchaser Insurance Savings Participation Agreements, (vi) the Asset Purchaser Bank Savings Participation Agreement, (vii) the Asset Purchaser Swap Agreement and (viii) the Asset Purchaser Accounts. These rights of pledge will be notified to the obligors and will, therefore be a "disclosed" right of pledge ("*openbaar pandrecht*").

The Issuer will also vest rights of pledge in favour of the Security Trustee under the Issuer Rights Pledge Agreement. The rights of pledge created in the Issuer Rights Pledge Agreement secure, *inter alia*, any and all liabilities of the Issuer to the Security Trustee resulting from or in connection with the Issuer Parallel Debt Agreement and any other Issuer Transaction Documents and will be vested on all rights of the Issuer under or in connection with (i) the Issuer Administration Agreement, (ii) the IC Loan Agreement, including but not limited to the IC Loans, (iii) the Issuer Account Agreement, including but not limited to all balances standing to the credit of the Issuer Accounts from time to time, (iv) any Issuer Currency Swap Agreement, and (v) all rights of the Issuer against the Security Trustee. These rights of pledge will be notified to the obligors and will, therefore be a "disclosed" right of pledge ("*openbaar pandrecht*").

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



## 5. CREDIT STRUCTURE

### A. ISSUER

#### 5.1 Available funds

##### **Issuer Available Revenue Funds**

Prior to the delivery of an Enforcement Notice, the sum of the following amounts, calculated as at each Notes Calculation Date, received or to be received or held by the Issuer in respect of the immediately preceding Notes Calculation Period (items (i) up to and including (vi) together the '**Issuer Available Revenue Funds**')

- (i) as interest and IC Loan Costs on each IC Loan and as interest and as principal on the Subordinated Loans;
- (ii) as interest credited to the Issuer Accounts;
- (iii) as amounts received or to be received on the relevant Issue Date in excess of the Principal Amount Outstanding of the Notes issued on such date;
- (iv) as amounts to be drawn from the Unreserved Ledger (excluding any amounts applied towards the redemption of Class E Notes in accordance with the Issuer Trust Deed) and/or released from the Reserved Ledger following a Reserved Ledger Release;
- (v) as amounts to be received from an Issuer Currency Swap Counterparty under an Issuer Currency Swap Agreement on the next succeeding Notes Payment Date, to the extent not relating to principal, excluding, for the avoidance of doubt, (a) any collateral transferred by such Issuer Currency Swap Counterparty pursuant to such Issuer Currency Swap Agreement, (b) any Issuer Tax Credit and (c) any amounts received upon early termination of the Issuer Currency Swap Agreement and applied or to be applied in or towards satisfaction of an initial swap payment to a replacement swap counterparty; and
- (vi) the remaining balance of the Issuer Accounts, if any, on the Notes Payment Date on which the Notes (other than the Class E Notes) are or are expected to be redeemed in full;

will pursuant to the Issuer Trust Deed be applied on the immediately succeeding Notes Payment Date in accordance with the Issuer Revenue Priority of Payments.

##### **Issuer Available Principal Funds**

Prior to the delivery of an Enforcement Notice, the sum of the following amounts, calculated as at each Notes Calculation Date, received or to be received or held by the Issuer in respect of the immediately preceding Notes Calculation Period (items (i) up to and including (ix) hereinafter referred to as the '**Issuer Available Principal Funds**')

- (i) as repayment and prepayment in full or in part of principal under the IC Loans;
- (ii) any part of the relevant Issuer Available Principal Funds calculated on the immediately preceding Notes Calculation Date which has not been applied in accordance with the Issuer Trust Deed;
- (iii) the net proceeds from the issue of any Notes, other than Class E Notes, issued or being issued during that Notes Calculation Period;
- (iv) amounts to be received from the Issuer Currency Swap Counterparty under the Issuer Currency Swap Agreement, to the extent relating to principal on the next succeeding Notes Payment Date;
- (v) as amounts to be drawn from the Reserved Ledger as a result of a Reserved Ledger Repayment Debit on the next succeeding Notes Payment Date;
- (vi) after the occurrence of a Trigger Event, any amounts standing to the credit of the Issuer Pre-Funded Account; and
- (vii) if the relevant Notes Calculation Date immediately precedes a First Optional Redemption Date, as amounts to be released on the immediately succeeding First Optional Redemption Date from the Issuer Pre-Funded Account towards redemption of Notes;

less:

- (viii) any part of the Issuer Available Principal Funds, which has been applied towards the granting of any further IC Loans or the purchase of Notes from (but excluding) the immediately preceding Notes Payment Date up to (but excluding) the immediately succeeding Notes Payment Date; and
- (ix) the amounts to be paid to any Issuer Currency Swap Counterparty under any Issuer Currency Swap Agreement to the extent relating to principal and not included in the Issuer Revenue Priority of Payments;

will pursuant to the Issuer Trust Deed be applied on the immediately succeeding Notes Payment Date in accordance with the Issuer Pre-Trigger Event Redemption Priority of Payments or Issuer Post-Trigger Event Redemption Priority of Payments.

Prior to the delivery of an Enforcement Notice, any amounts to be paid by the Issuer under any Issuer Currency Swap Agreement to the extent relating to principal will be paid directly by the Issuer to the relevant Issuer Currency Swap Counterparty.

**Issuer Available Principal Funds for redemption of Pass-through Notes**

The amount available for redemption of the Pass-through Notes (the '**Issuer Pass-through Notes Principal Available Amount**') will, in the case of mandatory redemption within the meaning of Condition 6(b), be equal to the sum of:

(i) the Asset Purchaser Pass-through Payable Amount payable in the relevant Notes Calculation Period; and

(ii)  $A \times B/C$

where:

- A = the Issuer Pre-Funded Amount on the relevant Notes Payment Date;
- B = the Asset Purchaser Pass-through Payable Amount on the relevant Notes Payment Date; and
- C = the aggregate Principal Amount Outstanding of the outstanding IC Loans on the relevant Notes Payment Date.

The amount available for redemption of Class A Pass-through Notes by the Issuer on each Notes Payment Date (the '**Class A Pass-through Notes Redemption Available Amount**') will, if the Pro-rata Condition is satisfied, be equal to:

$$A \times B/C$$

where:

- A = the Issuer Pass-through Notes Principal Available Amount plus any Reserved Ledger Repayment Debit in respect of Pass-through Notes;
- B = the Principal Amount Outstanding of all Class A Pass-through Notes outstanding at such Notes Payment Date;
- C = the Principal Amount Outstanding of all Pass-through Notes, other than Class E Notes, outstanding at such Notes Payment Date.

The amount available for redemption of Class B Pass-through Notes by the Issuer on each Notes Payment Date (the '**Class B Pass-through Notes Redemption Available Amount**') will, if the Pro-rata Condition is satisfied, be equal to:

$$A \times B/C$$

where:

- A = the Issuer Pass-through Notes Principal Available Amount plus any Reserved Ledger Repayment Debit in respect of Pass-through Notes;

- B = the Principal Amount Outstanding of all Class B Pass-through Notes outstanding at such Notes Payment Date;
- C = the Principal Amount Outstanding of all Pass-through Notes, other than Class E Notes, outstanding at such Notes Payment Date.

The amount available for redemption of Class C Pass-through Notes by the Issuer on each Notes Payment Date (the '**Class C Pass-through Notes Redemption Available Amount**') will, if the Pro-rata Condition is satisfied, be equal to:

$$A \times B/C$$

where:

- A = the Issuer Pass-through Notes Principal Available Funds plus any Reserved Ledger Repayment Debit in respect of Pass-through Notes;
- B = the Principal Amount Outstanding of all Class C Pass-through Notes outstanding at such Notes Payment Date;
- C = the Principal Amount Outstanding of all Pass-through Notes, other than Class E Notes, outstanding at such Notes Payment Date.

The amount available for redemption of Class D Pass-through Notes by the Issuer on each Notes Payment Date (the '**Class D Pass-through Notes Redemption Available Amount**') will, if the Pro-rata Condition is satisfied, be equal to:

$$A \times B/C$$

where:

- A = the Issuer Pass-through Notes Principal Available Amount plus any Reserved Ledger Repayment Debit in respect of Pass-through Notes;
- B = the Principal Amount Outstanding of all Class D Pass-through Notes outstanding at such Notes Payment Date;
- C = the Principal Amount Outstanding of all Pass-through Notes, other than Class E Notes, outstanding at such Notes Payment Date.

If the Pro-rata Condition is not satisfied, the Issuer Pass-through Notes Principal Available Amount plus any Reserved Ledger Repayment Debit in respect of Pass-through Notes will be applied to redeem the Pass-through Notes on a sequential basis.

#### **Pro-rata Condition**

The '**Pro-rata Condition**' shall mean, in respect of a Notes Payment Date, that:

- (a) no amount is recorded on the Issuer Principal Deficiency Ledger on such date after giving effect to payments to be made on the relevant Notes Payment Date in accordance with the Issuer Revenue Priority of Payments; and
- (b) the aggregate Outstanding Principal Amount of the Mortgage Loans in respect of which amounts are in arrear for more than ninety (90) days does not exceed 2.5 per cent. of the aggregate Outstanding Principal Amount of all Mortgage Loans; and
- (c) on the previous Notes Payment Date, the balance on the Unreserved Ledger was at least equal to the Class D Required Subordinated Amount.

## 5.2 Priority of payments

### Issuer Revenue Priority of Payments

Prior to the delivery of an Enforcement Notice, the Issuer Available Revenue Funds, calculated on each Notes Calculation Date, will pursuant to terms of the Issuer Trust Deed be applied by the Issuer on the immediately succeeding Notes Payment Date in the following order of priority (in each case only if and to the extent that payments or provisions of a higher order of priority have been made in full) (the '**Issuer Revenue Priority of Payments**')

- (a) *first*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of the fees or other remuneration due and payable to the Issuer Director, the Security Trustee Director and the Shareholder Director in connection with the Issuer Management Agreement, the Security Trustee Management Agreement and the Shareholder Management Agreement and any costs, charges, liabilities and expenses incurred by the Security Trustee under or in connection with any of the Issuer Transaction Documents to the extent not paid by the Asset Purchaser on such date;
- (b) *second*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of administration fees and expenses due and payable to the Issuer Administrator under the Issuer Administration Agreement;
- (c) *third*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, (i) of any amounts due and payable to third parties under obligations incurred in the Issuer's business (other than under the Issuer Transaction Documents), including, without limitation, in or towards satisfaction of sums due or provisions for any payment of the Issuer's liability, if any, to tax and the fees and expenses of the Credit Rating Agencies and any legal advisor, auditor and accountant appointed by the Issuer or the Security Trustee and (ii) fees and expenses due to the Principal Paying Agent, the Paying Agent and the Reference Agent under the Paying Agency Agreement;
- (d) *fourth*, in or towards satisfaction of amounts, if any, due but unpaid under the relevant Issuer Currency Swap Agreement, to the extent not related to principal, if any, except for any Issuer Currency Swap Counterparty Default Payment payable under (o) below and excluding, for the avoidance of doubt, any amount relating to Excess Swap Collateral, any Issuer Tax Credit and any amount applied or to be applied towards fulfilment of an initial swap payment to a replacement swap counterparty;
- (e) *fifth*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of interest due in respect of the Class A Notes;
- (f) *sixth*, in or towards making good, any shortfall reflected in the Class A Principal Deficiency Ledger until the debit balance, if any, on the Class A Principal Deficiency Ledger is reduced to zero;
- (g) *seventh*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of interest due or accrued due but unpaid on the Class B Notes;
- (h) *eighth*, in or towards making good any shortfall reflected in the Class B Principal Deficiency Ledger until the debit balance, if any, on the Class B Principal Deficiency Ledger is reduced to zero;
- (i) *ninth*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of interest due or accrued due but unpaid on the Class C Notes;
- (j) *tenth*, in or towards making good any shortfall reflected in the Class C Principal Deficiency Ledger until the debit balance, if any, on the Class C Principal Deficiency Ledger is reduced to zero;

- (k) *eleventh*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of interest due or accrued due but unpaid on the Class D Notes;
- (l) *twelfth*, in or towards making good any shortfall reflected in the Class D Principal Deficiency Ledger until the debit balance, if any, on the Class D Principal Deficiency Ledger is reduced to zero;
- (m) *thirteenth*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of interest due or accrued due but unpaid on the Class E Notes;
- (n) *fourteenth*, in or towards satisfaction of replenishment of the Unreserved Ledger of the Issuer Reserve Account up to the amount of the Unreserved Ledger Required Amount;
- (o) *fifteenth*, in or towards satisfaction of the Issuer Currency Swap Counterparty Default Payment payable to the Issuer Currency Swap Counterparty under the terms of the relevant Issuer Currency Swap Agreement, if any; and
- (p) *sixteenth*, in or towards satisfaction of an Interest Discount Payment to the Asset Purchaser.

**Issuer Pre-Trigger Event Redemption Priority of Payments**

Prior to (i) the occurrence of a Trigger Event or (ii) the delivery of an Enforcement Notice, the Issuer Available Principal Funds, calculated on each Notes Calculation Date, will be applied by the Issuer on the immediately succeeding Notes Payment Date in the following order of priority (and in each case only if and to the extent that payments or provisions of a higher priority have been made in full) (the '**Issuer Pre-Trigger Event Redemption Priority of Payments**')

- (i) *first*, in or towards satisfaction of principal due under the Class A Notes;
- (ii) *second*, in or towards satisfaction of principal due under the Class B Notes;
- (iii) *third*, in or towards satisfaction of principal due under the Class C Notes;
- (iv) *fourth*, in or towards satisfaction of principal due under the Class D Notes;
- (v) *fifth*, in or towards the granting of further IC Loans; and
- (vi) *sixth*, in or towards purchase of Notes.

Any amounts not applied in or towards satisfaction of the Issuer Principal Priority of Payments prior to a Trigger Event will remain to be deposited on the Issuer Collection Account.

**Issuer Post-Trigger Event Redemption Priority of Payments**

After the occurrence of a Trigger Event and before delivery of an Enforcement Notice, the Issuer Available Principal Funds, calculated on each Note Calculation Date, will be applied by the Issuer on the immediately succeeding Notes Payment Date in the following order of priority (and in each case only if and to the extent that payments or provisions of a higher priority have been made in full) (the '**Issuer Post-Trigger Event Redemption Priority of Payments**')

- (i) *first*, in or towards satisfaction, on a *pro rata* basis, of principal due under the Class A Notes until fully repaid;
- (ii) *second*, in or towards satisfaction, on a *pro rata* basis, of principal due under the Class B Notes until fully repaid;
- (iii) *third*, in or towards satisfaction, on a *pro rata* basis, of principal due under the Class C Notes until fully repaid;

- (iv) *fourth*, in or towards satisfaction, on a *pro rata* basis, of principal due under the Class D Notes until fully repaid.

#### **Trigger Event**

A '**Trigger Event**' means any of the following events:

- an amount is debited to the Class A Principal Deficiency Ledger; or
- ABN AMRO Bank N.V. or any Seller (other than ABN AMRO Bank N.V.) takes any corporate action or other steps are taken or legal proceedings are started or threatened against it for its dissolution ("*ontbinding*") and liquidation ("*vereffening*") or any of its assets are placed under administration ("*onder bewind gesteld*"); or
- ABN AMRO Bank N.V. or any Seller (other than ABN AMRO Bank N.V.) has been declared subject to (i) suspension of payments ("*surseance van betaling*") or, if applicable, emergency regulations ("*noodregeling*") as referred to in the Act on Financial Supervision ("*Wet op het financieel toezicht*" or "*Wft*") which has continued for a period of one (1) month, whereby such suspension of payments, or if applicable, emergency regulations, is deemed to have continued for a period of one (1) month if ABN AMRO Bank N.V. or any Seller (other than ABN AMRO Bank N.V.) has been declared subject to such suspension of payments or, if applicable, emergency regulations and the Security Trustee has not been provided with sufficient proof that such suspension of payments or, if applicable, emergency regulations have been lifted within one (1) month or (ii) bankruptcy ("*faillissement*") or (iii) for any analogous insolvency proceedings under any applicable law;

#### **Post-Enforcement Priority of Payments**

Following the delivery of an Enforcement Notice, the Enforcement Available Amount, which, for the avoidance of doubt, will exclude any Excess Swap Collateral and Issuer Tax Credit and/or Asset Purchaser Tax Credit payable to the relevant Issuer Currency Swap Counterparty and/or Asset Purchaser Swap Counterparty, will be paid by the Security Trustee to the Programme Secured Creditors (excluding the Participants) 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 (i) the fees or other remuneration due to the Directors (ii) any cost, charge, liability and expenses incurred by the Security Trustee under or in connection with any of the Transaction Documents, which will include, *inter alia*, fees and expenses of the Credit Rating Agencies, any legal advisor, auditor or accountant appointed by the Security Trustee, (iii) the fees and expenses of the Principal Paying Agent, the Paying Agent and the Reference Agent incurred under the provisions of the Paying Agency Agreement, (iv) the fees and expenses of the Issuer Administrator under the Issuer Administration Agreement, the Asset Purchaser Administrator under the Asset Purchaser Administration Agreement and the Servicer under the Asset Purchaser Servicing Agreement;
- (b) *second*, in or towards satisfaction of amounts, if any, *pro rata*, according to the respective amounts thereof, of all amounts due and payable under any Issuer Currency Swap Agreement and the Asset Purchaser Swap Agreement except for (i) any Issuer Currency Swap Counterparty Default Payments and Asset Purchaser Swap Counterparty Default Payments payable under subparagraph (m) below;
- (c) *third*, in or towards satisfaction of all amounts of interest due in respect of the Class A Notes;
- (d) *fourth*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Class A Notes;
- (e) *fifth*, in or towards satisfaction of all amounts of interest due or accrued due but unpaid in respect of the Class B Notes;

- (f) *sixth*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Class B Notes;
- (g) *seventh*, in or towards satisfaction of all amounts of interest due or accrued due but unpaid in respect of the Class C Notes;
- (h) *eighth*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Class C Notes;
- (i) *ninth*, in or towards satisfaction of all amounts of interest due or accrued due but unpaid in respect of the Class D Notes;
- (j) *tenth*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Class D Notes;
- (k) *eleventh*, in or towards satisfaction of all amounts of interest due or accrued due but unpaid in respect of the Class E Notes;
- (l) *twelfth*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Class E Notes;
- (m) *thirteenth*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of any Issuer Currency Swap Counterparty Default Payments and Asset Purchaser Swap Counterparty Default Payments payable to any Issuer Currency Swap Counterparty or the Asset Purchaser Swap Counterparty under the terms of any Issuer Currency Swap Agreement and the Asset Purchaser Swap Agreement; and
- (n) *fourteenth*, in or towards satisfaction, *pro rata* (calculated according to the respective Outstanding Principal Amounts of the Mortgage Receivables sold by such Seller), of the Deferred Purchase Price Instalments to the relevant Seller or relevant Sellers, as the case may be.

After the earlier to occur of the delivery of an Asset Purchaser Enforcement Notice or the delivery of an Enforcement Notice, the Participation Enforcement Available Amount will be paid by the Security Trustee to the Participants.

#### **Granting of IC Loans and Purchase of Notes**

The Issuer may (a) on each Monthly Payment Date that is not a Notes Payment Date, but prior to (i) the occurrence of a Trigger Event or (ii) the delivery of an Enforcement Notice or an Asset Purchaser Enforcement Notice, apply (or reserve to be applied after such Monthly Payment Date) amounts received as items (i), (ii) and (iii) of the Issuer Available Principal Funds in the relevant Notes Calculation Period until such Monthly Payment Date less the sum of the Asset Purchaser Pass-through Payable Amounts payable in the relevant Notes Calculation Period until such Monthly Payment Date, towards (i) the granting of further IC Loans to the Asset Purchaser on such Monthly Payment Date or on any date thereafter up to (but excluding) the immediately succeeding Monthly Payment Date or (ii) the purchase of Notes (other than the Class E Notes), subject to the Conditions and the Issuer Trust Deed on such Monthly Payment Date or on any date thereafter up to (but excluding) the immediately succeeding Monthly Payment Date and (b) on any date use the proceeds of the issue of a Class of Notes and the Issuer Pre-Funded Amount (or part thereof) towards the purchase of Notes on such date or towards the granting of IC Loans on such date.

On each Monthly Payment Date that is not a Notes Payment Date, but prior to (i) the occurrence of a Trigger Event or (ii) the delivery of an Enforcement Notice, the Issuer may apply amounts credited on the Unreserved Ledger towards the purchase of Class E Notes (subject to the Conditions)

#### **Purchase of Notes**

Under the terms of the Issuer Trust Deed, the Issuer will have the right to purchase Notes that are offered to it on any date, prior to (i) the occurrence of a Trigger Event which is continuing or (ii) the

delivery of an Enforcement Notice and provided that it has the necessary funds available for such purpose in accordance with the provisions of the Issuer Trust Deed. In the case of purchase and cancellation of Subordinated Notes the Repayment Test will apply *mutatis mutandis*. The purchase price payable by the Issuer when purchasing a Note will be equal to its aggregate Principal Amount Outstanding, together with any accrued interest thereon less in the case of the purchase of (i), a Class B Note, any Class B Principal Shortfall, (ii) a Class C Note, any Class C Principal Shortfall and (iii) a Class D Note, any Class D Principal Shortfall and (iv) Class E Note, any Class E Principal Shortfall. Any Class A Notes purchased by the Issuer may, at the option of the Issuer, be held, re-issued or resold at their Principal Amount Outstanding together with accrued interest thereon subject to and in accordance with the Conditions of the Notes, or may be surrendered to any of the Paying Agents for cancellation in accordance with the Paying Agency Agreement. Any Subordinated Notes so purchased by the Issuer should be surrendered to any of the Paying Agents for cancellation in accordance with the Paying Agency Agreement.



## 5.3 Loss allocation

### **Issuer Interest Deficiency Ledger and Issuer Principal Deficiency Ledger**

The Issuer Interest Deficiency Ledger comprising five sub-ledgers: the Class A Interest Deficiency Ledger, the Class B Interest Deficiency Ledger, the Class C Interest Deficiency Ledger, the Class D Interest Deficiency Ledger and the Class E Interest Deficiency Ledger respectively, has been established by or on behalf of the Issuer in order to record any amounts of unpaid interest on the (relevant Class of) Notes.

The Issuer Principal Deficiency Ledger comprising four sub-ledgers: the Class A Principal Deficiency Ledger, the Class B Principal Deficiency Ledger, the Class C Principal Deficiency Ledger and the Class D Principal Deficiency Ledger, respectively, has been established by or on behalf of the Issuer in order to record any Issuer Principal Deficiency, subdivided in the Class A Principal Deficiency, the Class B Principal Deficiency, the Class C Principal Deficiency and the Class D Principal Deficiency.

The balance on the Class D Principal Deficiency Ledger will be the amount by which the aggregate balance on the IC Loan Principal Deficiency Ledger on the relevant Notes Payment Date (for the avoidance of doubt, as reduced by any amounts credited to each IC Loan Principal Deficiency Ledger on such date after application of the Asset Purchaser Available Revenue Funds) exceeds any amounts standing to the credit of the Reserved Ledger (prior to the application of the Issuer Available Revenue Funds) on such date with a maximum of the Principal Amount Outstanding on all Class D Notes.

If the balance on the IC Loan Principal Deficiency Ledger on the relevant Notes Payment Date less any amounts remaining on the balance of the Reserved Ledger on such date (for the avoidance of doubt, as reduced with any amounts credited to the IC Loan Principal Deficiency Ledger on such date after application of the Asset Purchaser Available Revenue Funds) exceeds the Principal Amount Outstanding of all Class D Notes outstanding on such date, the balance on the Class C Principal Deficiency Ledger will be the amount by which the balance on the IC Loan Principal Deficiency Ledger exceeds the sum of (i) the balance on the Class D Principal Deficiency Ledger on such date and (ii) any amounts on the balance of the Reserved Ledger on such date, with a maximum of the Principal Amount Outstanding of all Class C Notes and all Class D Notes.

If the balance on the IC Loan Principal Deficiency Ledger on the relevant Notes Payment Date less any amounts on the balance of the Reserved Ledger on such date (for the avoidance of doubt, as reduced with any amounts credited to the IC Loan Principal Deficiency Ledger on such date after application of the Asset Purchaser Available Revenue Funds) exceeds the Principal Amount Outstanding on all Class C Notes and Class D Notes outstanding on such date, the balance on the Class B Principal Deficiency Ledger will be the amount by which the balance on the IC Loan Principal Deficiency Ledger exceeds the sum of (i) the balance on the Class C Principal Deficiency Ledger on such date and (ii) the balance on the Class D Principal Deficiency Ledger on such date less (iii) any amounts remaining on the balance of the Reserved Ledger on such date with a maximum of the Principal Amount Outstanding of all Class B Notes and all Class C Notes and all Class D Notes.

If the aggregate balance on the IC Loan Principal Deficiency Ledger on the relevant Notes Payment Date less any amounts standing on the balance of the Reserved Ledger on such date (for the avoidance of doubt, as reduced with any amounts credited to the IC Loan Principal Deficiency Ledger on such date after application of the Asset Purchaser Available Revenue Funds) exceeds the Principal Amount Outstanding on all Class B Notes, Class C Notes and Class D Notes outstanding on such date, the balance on the Class A Principal Deficiency Ledger will be an amount equal to the balance on the IC Loan Principal Deficiency Ledger less (i) the balance on the Class B Principal Deficiency Ledger on such date, (ii) the balance on the Class C Principal Deficiency Ledger on such date, (iii) the balance on the Class D Principal Deficiency Ledger on such date and (iv) less any amounts on the balance of the Reserved Ledger on such date.

As set out in section 5.5 (*Issuer Transaction Accounts*), amounts credited to the Issuer Principal Deficiency Ledgers in accordance with items (f), (h), (j) and (l) of the Issuer Revenue Priority of Payments will be reserved and recorded in the Reserved Ledger.

On any Notes Payment Date, before application of the Issuer Revenue Priority of Payments on such Notes Payment Date, the amounts remaining on the Reserved Ledger in excess of the aggregate balance on the IC Loan Principal Deficiency Ledger on such date, after application of the Asset Purchaser Revenue Priority of Payments on such Notes Payment Date, shall be released from the Reserved Ledger (such release being a '**Reserved Ledger Release**') firstly from the Reserved Ledger Repayment Debit Ledger and thereafter the other amounts credited to the Reserved Ledger and will form part of the Issuer Available Revenue Funds.

## 5.4 Hedging

### Currency Hedging

Pursuant to the issuer currency swap undertaking letter entered into between the Issuer and the Security Trustee (the "**Issuer Currency Swap Undertaking Letter**") the Issuer undertakes to enter into Issuer Currency Swap Agreements with Issuer Currency Swap Counterparties in case it issues Notes in any currency other than euros in order to hedge its payment obligations under the Notes in such other currency against variations in the exchange rate of the euro vis-à-vis such currency.

Each Issuer Currency Swap Agreement entered into by the Issuer will be substantially in the form as attached to the Issuer Currency Swap Undertaking Letter and be documented under an ISDA Master Agreement. Each Issuer Currency 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 relevant Issuer Currency Swap Agreement or (iii) (by the Issuer Currency Swap Counterparty only) an Enforcement Notice is served. Events of Default under the Issuer Currency Swap Agreements in relation to the Issuer will be limited to (i) non-payment under the relevant Issuer Currency Swap Agreement and (ii) certain insolvency events.

Upon the early termination of a Issuer Currency Swap Agreement, the Issuer or the relevant Issuer Currency 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 relevant terminated Issuer Currency 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 an Issuer Currency Swap Counterparty, the Issuer will not be required pursuant to the terms of the relevant Issuer Currency Swap Agreement to pay the Issuer Currency Swap Counterparty such amounts as would otherwise have been required to ensure that the Issuer Currency Swap Counterparty received the same amounts that it would have received had such withholding or deduction not been made.

In the event that the Issuer Currency Swap Counterparty is required to withhold or deduct an amount in respect of tax from payments due from it to the Issuer, the Issuer Currency Swap Counterparty will be required pursuant to the terms of the relevant Issuer Currency 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 Issuer Currency Swap Counterparty will, if it is unable to transfer its rights and obligations under the Issuer Currency Swap Agreement to another office, have the right to terminate such Issuer Currency Swap Agreement. Upon such termination, the Issuer or the Issuer Currency Swap Counterparty may be liable to make a termination payment to the other party.

If the unsecured, unsubordinated and unguaranteed debt obligations of any Issuer Currency Swap Counterparty cease to be rated at least as high as the Swap Requisite Credit Rating or any such credit rating is withdrawn by a Credit Rating Agency, the relevant Issuer Currency Swap Counterparty will be required to take certain remedial measures which may include the provision of collateral for its obligations under the relevant Issuer Currency Swap Agreement, arranging for its obligations under the relevant Issuer Currency Swap Agreement to be transferred to an entity with the Swap Requisite Credit Rating, procuring another entity with at least the Swap Requisite Rating to become co-obligor in respect of its obligations under the relevant Issuer Currency Swap Agreement, or the taking of such other action as will result in the credit ratings on the Notes being restored to or maintained at the level they were at immediately prior to such downgrade event. A failure to take such steps, subject to certain conditions, will give the Issuer the right to terminate the Issuer Currency Swap Agreement.

In case of a transfer of the obligations of the Issuer Currency Swap Counterparty under the relevant Issuer Currency Swap Agreement to a replacement swap counterparty, any collateral transferred by the Asset Purchaser Swap Counterparty will be available in or towards satisfaction of any costs and expenses relating to the entering into a replacement swap transaction outside the Issuer Revenue Priority of Payments.

Any collateral transferred by an Issuer Currency Swap Counterparty in accordance with the provisions set out above which is in excess of its obligations to the Issuer under an Issuer Currency Swap Agreement will be returned to such Issuer Currency Swap Counterparty prior to the distribution of any amounts due by the Issuer under the Transaction Documents and outside the Issuer Priority of Payments.

## 5.5 Issuer Transaction Accounts

### Issuer Collection Account

The Issuer will maintain with the Issuer Account Bank the Issuer Collection Account to which all amount received (i) in respect to the IC Loans and (ii) from the other parties to the Issuer Transaction Documents (to the extent relevant) will be paid. The Issuer Account Bank has agreed to pay interest on the balance standing to the credit of the Issuer Collection Account determined by reference to EONIA.

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

Payments from the Issuer Collection Account other than on a Notes Payment Date, may only be made to satisfy (i) amounts due to third parties (other than pursuant to the Issuer Transaction Documents) and under obligations incurred in the Issuer's business and (ii) amounts applied towards the granting of IC Loans or towards the purchase of Notes.

If at any time the unsecured, unsubordinated and unguaranteed debt obligations of the Issuer Account Bank cease to be rated at least as high as the Requisite Credit Rating or any such credit rating is withdrawn by a Credit Rating Agency, the Issuer Account Bank will (a) within thirty (30) days or (b), if the unsecured, unsubordinated and unguaranteed debt obligations of the Issuer Account Bank cease to be rated at least as high as the Requisite Credit Rating solely applicable to S&P or any such credit rating is withdrawn solely by S&P, within the later of (a) sixty (60) days of any such event and (b) if, on or before the 60<sup>th</sup> day following such event, the Issuer Account Bank has submitted a written proposal for a remedy to S&P and S&P has confirmed in writing to the Issuer Account Bank that the implementation of that proposal will not cause it to downgrade the Notes, ninety (90) days any such event, (i) obtain a third party, having at least the Requisite Credit Rating to guarantee the obligations of the Issuer Account Bank, or (ii) find an alternative Account Bank having at least the Requisite Credit Rating or (iii) find any other solution acceptable to the Security Trustee, provided that a Credit Rating Agency Confirmation in respect of each Credit Rating Agency is available in respect of such other solution.

### Issuer Reserve Account

#### *Unreserved Ledger*

The net proceeds of each issue of Class E Notes will be credited to the Issuer Reserve Account with a corresponding credit to the Unreserved Ledger and will be treated as follows until an Enforcement Notice is served.

Amounts credited to the Unreserved Ledger will be available on any Notes Payment Date to meet items (a) to (m) inclusive of the Issuer Revenue Priority of Payments.

If and to the extent that the relevant Issuer Available Revenue Funds on any Notes Calculation Date exceeds the amounts required to meet items ranking higher than item (n) of the Issuer Revenue Priority of Payments, the excess amount will be deposited on the Issuer Reserve Account with a corresponding credit to the Unreserved Ledger or, as the case may be, will be applied to replenish the Issuer Reserve Account with a corresponding credit to the Unreserved Ledger, to the extent required until the balance remaining on the Unreserved Ledger equals the Unreserved Ledger Required Amount. On the Notes Payment Date on which all amounts of principal and interest in respect of the Notes, except for principal in respect of the Class E Notes, have been or will be fully paid, the Unreserved Ledger Required Amount will be reduced to zero.

On a Notes Payment Date on which all Class E Notes of a Series and Class, or, if such Class E Notes comprises of two or more Sub-classes, all Notes of the relevant Sub-class will be redeemed in accordance with and subject to Conditions 6(g) and 9(b), the Unreserved Ledger will be debited on that Notes Payment Date (such debit being referred to as '**Unreserved Ledger Repayment Debit**') with an amount equal to:

- a) the Principal Amount Outstanding of the Class E Notes of that Series and Class or Sub-class thereof, divided by the Principal Amount Outstanding of all Class E Notes on such Notes Payment Date (after giving effect to any issue of Class E Notes on such date, but before any repayment of any Class E Notes on such date); multiplied by
- b) the amount standing to the credit of the Unreserved Ledger on such Notes Payment Date, after giving effect to any issue of Class E Notes on such date and any other drawing from the Unreserved Ledger on such date.

An amount equal to the Unreserved Ledger Repayment Debit will be withdrawn from the Issuer Reserve Account and will be applied towards the redemption of the Class E Notes of the relevant Series and Class or Sub-class in accordance with and subject to Conditions 6(g) and 9(b).

#### *Reserved Ledger*

The Issuer Administrator will also maintain a ledger (the '**Reserved Ledger**') on which amounts applied to make good any shortfall on the Issuer Principal Deficiency Ledger in accordance with items (f), (h), (j) and (l) of the Issuer Revenue Priority of Payments will be debited.

On a Notes Payment Date on which any Class E Note is repaid in full (for the avoidance of doubt, except for any Class E Principal Shortfall on such Class E Note), the Issuer or the Issuer Administrator on its behalf will credit a sub-ledger of the Reserved Ledger created for such purpose (the '**Reserved Ledger Repayment Debit Ledger**') (if and to the extent there is a credit balance on the Reserved Ledger) with the amount of the Class E Principal Shortfall, if any, in respect of such Class E Note.

On any Notes Payment Date, the Issuer has the right to debit the Reserved Ledger for an amount up to the credit balance of the Reserved Ledger Repayment Debit Ledger on such date (after repayment of any Class E Note on such date).

On any Notes Payment Date on which the Issuer Available Principal Funds are insufficient to repay the Series and Class or Sub-class of Notes to be redeemed on such date, other than Class E Notes, the Issuer has the obligation to debit the Reserved Ledger for the amount of such shortfall firstly from the Reserved Ledger Repayment Debit Ledger and thereafter the other amounts credited to the Reserved Ledger. Any such debit from the Reserved Ledger on any Notes Payment Date will be referred to as a '**Reserved Ledger Repayment Debit**', and will be transferred from the Issuer Reserve Account to the Issuer Collection Account and will form part of the Issuer Available Principal Funds on that Notes Payment Date.

#### **Issuer Pre-Funded Account**

The Issuer will maintain with the Issuer Account Bank the Issuer Pre-Funded Account. The Issuer will credit to the Issuer Pre-Funded Account any part of the net proceeds of the issue of the Notes (other than the Class E Notes) which has not been used to grant IC Loans, to redeem other Notes or to purchase other Notes. With respect to the Issuer Pre-Funded Amount, no conditions are applicable, including conditions with regard to the level of the Issuer Pre-Funded Amount and the period during which it can be held in deposit on the Issuer Pre-Funded Account. This may have the result that the net proceeds of the issue of Notes will not immediately be applied to grant IC Loans or to redeem or purchase Notes. The rate of interest on the Issuer Pre-Funded Account is equal to the weighted average interest rate on the Notes during the relevant period. The Issuer Pre-Funded Amount will only be applied by the Issuer (i) to grant IC Loans to Asset Purchaser, (ii) to purchase Notes (other than the Class E Notes) on any date or (iii) to redeem Notes on the First Optional Date of such Notes and or any Notes Payment Date thereafter. The Issuer shall release from the Issuer Pre-Funded Account, to the extent available, an amount equal to the amount required to redeem each Note on the First Optional Redemption Date of such Note.

## 5.6 Issuer Administration Agreement

### *Services*

In the Issuer Administration Agreement the Issuer Administrator has agreed to provide certain administration, calculation and cash management services to the Issuer, including (a) the direction of amounts to be received from the Asset Purchaser to the Issuer Collection Account and the production of monthly and quarterly reports in relation thereto and the distribution of such reports to the relevant parties, (b) drawings (if any) to be made by the Issuer from the Issuer Reserve Account, (c) if applicable, all payments to be made by the Issuer under each Issuer Currency Swap Agreement, (d) all payments to be made by the Issuer under the Notes in accordance with the Paying Agency Agreement and the Conditions, (e) the maintaining of all required ledgers in connection with the above and (f) all calculations to be made pursuant to the Conditions under the Notes and the other Issuer Transaction Documents.

### *Termination*

The Issuer Administration Agreement may be terminated by the Security Trustee or the Issuer (with the consent of the Security Trustee) upon the occurrence of certain termination events, including (a) a default by the Issuer Administrator in the payment on the due date of any payment due and payable by it under the Issuer Administration Agreement (unless remedied within the applicable grace period), (b) a default by the Issuer Administrator in the performance or observance of any of its other covenants and obligations under the Issuer Administration Agreement, which in the opinion of the Security Trustee is materially prejudicial to the interests of the Issuer and/or the holders of any Class of Notes (unless remedied within the applicable grace period) or (c) the Issuer Administrator has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for its entering into bankruptcy, suspension of payments or emergency regulations ("*noodregeling*").

After termination of the Issuer Administration Agreement, the Security Trustee and the Issuer shall use their best effort to appoint a substitute administrator and such substitute administrator shall enter into an agreement with the Issuer and the Security Trustee substantially on the terms of the Issuer Administration Agreement, provided that such substitute 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.

In addition, the Issuer Administration Agreement may be terminated (i) by the Issuer Administrator and (ii) the Issuer upon the expiry of not less than twelve (12) months' notice of termination given by (i) the Issuer Administrator to the Issuer and the Security Trustee, or (ii) by the Issuer to the Issuer Administrator and the Security Trustee, provided that - inter alia - (a) the Security Trustee consents in writing to such termination and (b) a substitute administrator shall be appointed, such appointment to be effective not later than the date of termination of the Issuer Administration Agreement and such substitute issuer administrator enters into an agreement substantially on the terms of the Issuer Administration Agreement and the Issuer Administrator shall not be released from its obligations under the Issuer Administration Agreement until such new agreement has been signed and entered into effect with respect to such substitute issuer administrator.

## 5.7 IC Loan Agreement

Under the IC Loan Agreement the Asset Purchaser may request an IC Loan on each date, provided that certain conditions are met, including the condition that no Trigger Event, Event of Default or IC Loan Event of Default has occurred. The Issuer shall be obliged to lend moneys on the proposed Utilisation Date, if the Issuer has sufficient funds available for such purpose and certain other conditions are met, including the condition that no IC Loan Event of Default is continuing or would result from such IC Loan. The Asset Purchaser will use the net proceeds from each IC Loan to pay to the relevant Seller (part of) the Initial Purchase Price for the purchase of Relevant New Mortgage Receivables and Relevant Further Advance Receivables from time to time pursuant to the Asset Purchaser Mortgage Receivables Purchase Agreement.

Not later than three Business Days prior to the Monthly Calculation Date preceding a Utilisation Date the Asset Purchaser will deliver to the Issuer a duly completed irrevocable Utilisation Request. If a new IC Loan is requested and if the Issuer foresees that it will not have sufficient funds available for such purpose, the Issuer will undertake its best efforts to issue new Notes to the extent necessary to comply with such request for a new IC Loan.

In addition, under the IC Loan Agreement the Issuer shall advance and the Asset Purchaser shall accept Subordinated Loans subject to certain conditions.

### IC Loan Interest

The Asset Purchaser shall pay, on each Notes Payment Date, the IC Loan Interest to the Issuer.

In the event that on any Notes Payment Date the Asset Purchaser has insufficient funds available to it to satisfy its obligations in respect of amounts of interest due on the IC Loans on the next Notes Payment Date, the Asset Purchaser shall debit the IC Loan Interest Deficiency Ledger with an amount equal to the amount by which the aggregate amount of interest paid on the IC Loans on the relevant Notes Payment Date, in accordance herewith falls short of the aggregate amount of interest payable on such IC Loan on that date. Such shortfall shall not be treated as due on that date for the purposes of an IC Loan Event of Default, and shall not accrue interest, and such shortfall shall be aggregated with the amount of, and treated for the purpose of hereof as if it were interest due, subject to this provision, on the IC Loans on the next succeeding Notes Payment Date.

### IC Loan Costs

In addition to the IC Loan Interest, the Asset Purchaser shall pay, on each Notes Payment Date, the IC Loan Costs to the Issuer.

### Interest Discount

Prior to the delivery of an Enforcement Notice, the Asset Purchaser shall be entitled to receive an interest discount on each Notes Payment Date equal to the Interest Discount Payment on such Notes Payment Date.

### Repayment of principal

Any IC Loan shall be repaid ultimately on the Monthly Payment Date which is twenty five (25) years after the Utilisation Date on which the IC Loan is granted by the Issuer to the Asset Purchaser (the '**IC Loan Final Maturity Date**'), subject to the Asset Purchaser Trust Agreement. Any IC Loan outstanding on the Programme Final Maturity Date shall be repaid in full on such date, subject to the Asset Purchaser Trust Agreement.

If an IC Loan is repaid on the IC Loan Final Maturity Date, the Asset Purchaser may request a new IC Loan for a maximum amount equal to the Principal Outstanding Amount of such IC loan on the relevant IC Loan Final Maturity Date. The Issuer shall be obliged to comply with this request subject to certain conditions being met. Any payment in respect of such request, or requests, as the case may be, may be set-off with the IC Loan that is repaid on such date.

On each Monthly Payment Date the Asset Purchaser has the right to pay all principal receipts received by it on the relevant Mortgage Receivables in respect of the immediately preceding Mortgage



Calculation Period, up to the relevant Asset Purchaser Pass-through Payable Amount, to the Issuer as repayment of principal under the IC Loans. On each Notes Payment Date the Asset Purchaser shall pay all principal receipts received by it on the Mortgage Receivables in the immediately preceding Notes Calculation Period, up to the sum of the Asset Purchaser Pass-through Payable Amounts in respect of each Mortgage Calculation Period falling in such Notes Calculation Period, less any such amount paid on the two immediately preceding Monthly Payment Dates, to the Issuer as repayment of principal under the IC Loans.

The Asset Purchaser shall undertake its best efforts to repay, which best efforts undertaking includes the sale of Mortgage Receivables to the extent necessary, on:

- a) each First Optional Redemption Date relating to a Series and Class or Sub-class of Notes and on each Notes Payment Date thereafter an amount equal to the amount the Issuer requires on such Notes Payment Date to redeem such Series and Class or Sub-class of Notes in accordance with Condition 6(d);
- b) each Notes Payment Date on which a Notes Clean-up Call Option set out in Condition 6(e) relating to a Series and Class or Sub-class of Notes is exercised, an amount equal to the amount the Issuer requires on such Notes Payment Date to redeem such Series and Class or Sub-class of Notes in accordance with Condition 6(e);
- c) each Notes Payment Date on which the Programme Clean-up Call Option set out in Condition 6(f) is exercised by the Issuer, an amount equal to the amount the Issuer requires on such Notes Payment Date to redeem the Notes in accordance with Condition 6(f); and
- d) each Notes Payment Date on which the Tax Call Option as set out in Condition 6(h) is exercised, an amount equal to the amount the Issuer requires on such Notes Payment Date to redeem the Notes in accordance with Condition 6(h).

On each Notes Payment Date on which the relevant Seller exercises its Regulatory Call Option, the Asset Purchaser shall repay the IC Loans then owing under the IC Loan Agreement to the Issuer by applying the proceeds of such sale to such Seller.

The Asset Purchaser shall repay, in whole or in part, each IC Loan in order of seniority, the IC Loan which has the earliest IC Loan Final Maturity Date being the first to be repaid.

The amount payable to the Issuer under the IC Loans will be limited to the amounts available for such purpose to the Asset Purchaser in accordance with the Asset Purchaser Trust Agreement.

#### **IC Loan Event of Default**

In respect of the Asset Purchaser if:

- a) an Enforcement Notice is given; or
- b) the Asset Purchaser fails to pay any amount due and payable by it under or pursuant to the IC Loan Agreement or any other Transaction Document to which it is party and, if such failure is capable of being remedied, such failure is not remedied within ten (10) Business Days after notice thereof has been given by the Security Trustee to the Asset Purchaser or the Asset Purchaser becoming aware of the failure to comply; or
- c) the Asset Purchaser fails duly to perform or comply with any other obligation expressed to be assumed by it in the IC Loan Agreement or under any other Transaction Document to which it is a party, if such failure is capable of being remedied, such failure is not remedied within ten (10) Business Days after notice thereof has been given by the Security Trustee to the Asset Purchaser or any such other party; or
- d) any representation, warranty or statement made by the Asset Purchaser in the IC Loan Agreement or in any of the other Transaction Documents to which it is a party or in any notice or other document, certificate or statement delivered by it pursuant hereto or thereto proves to have been, and continues to be after the expiration of any applicable grace period provided for in any Transaction Document, untrue or incorrect in any material respect; or
- e) the Asset Purchaser takes any corporate action or other steps are taken or legal proceedings

- are started or threatened against it for its dissolution ("*ontbinding*"), liquidation ("*vereffening*"), legal merger ("*juridische fusie*") or legal demerger ("*juridische splitsing*"); or
- f) the Asset Purchaser has been declared bankrupt ("*faillissement*") or has been granted a suspension of payments ("*surseance van betaling*"), or has become subject to any analogous insolvency proceedings under any applicable law or the Asset Purchaser has applied for a declaration of bankruptcy or suspension of payments or its assets are placed under administration ("*onder bewindgesteld*") pursuant to such procedures; or
- g) at any time it becomes unlawful for the Asset Purchaser to perform any or all of its obligations hereunder or under any other Transaction Documents to which it is a party; or
- h) a creditor of the Asset Purchaser attaches, or takes possession of, all or any parts of the undertakings, assets, rights or revenues of the Asset Purchaser and the same is not released or discharged within thirty (30) days.

(each an '**IC Loan Event of Default**') then, except in the case of the occurrence of the event described under item (a) and (f), in which case the IC Loans, and each IC Loan, automatically become immediately due and payable together with accrued interest, the Security Trustee (on behalf of the Issuer) at its discretion may give notice (an '**Asset Purchaser Enforcement Notice**') (but in the case of the occurrence of any of the events mentioned under (b), (c), (d), (g) and (h), only if the Security Trustee shall have certified in writing to the Asset Purchaser and the Issuer that such an event is, in its opinion, materially prejudicial to the Issuer) to the Asset Purchaser that the IC Loans are, and each IC Loan shall become, immediately due and payable together with accrued interest.

#### **Subordinated Loan**

On each Notes Payment Date on which the amounts credited to the Reserved Ledger of the Issuer Reserve Account exceed the lower of (i) the Class D Required Subordinated Amount and (ii) the Principal Amount Outstanding of all Class E Notes, the Issuer will advance an amount equal to the Subordinated Loan Minimum Amount to the Asset Purchaser as Subordinated Loan. The Asset Purchaser has an obligation to accept such Subordinated Loan.

The proceeds of each Subordinated Loan will be credited to the IC Loan Principal Deficiency Ledger (outside the Asset Purchaser Revenue Priority of Payments) and will form part of the Asset Purchaser Available Principal Funds on such date.

The interest rate on the Subordinated Loan will be equal to the interest paid on the Asset Purchaser Collection Account for the relevant period. The interest on the Subordinated Loans will be due and payable on each Notes Payment Date if and to the extent the Asset Purchaser Available Revenue Funds on such Notes Payment Date exceeds the amounts required to meet items ranking higher than item (g) of the Asset Purchaser Revenue Priority of Payments.

On each Notes Payment Date the Asset Purchaser shall be required to repay the Subordinated Loan with an amount equal to the amount by which the Asset Purchaser Available Revenue Funds on such Notes Payment Date exceeds the amounts required to meet items ranking higher than item (h) of the Asset Purchaser Revenue Priority of Payments (if any)(for the avoidance of doubt, only to the extent such amount does not exceed the amount outstanding under the Subordinated Loans.

## B. ASSET PURCHASER

### 5.8 Available funds

*The structure of the credit arrangements for each Asset Purchaser under the Programme may be summarised as follows. If a new Asset Purchaser accedes to the Programme, a supplemental prospectus will be prepared which sets out the credit structure for such new Asset Purchaser, if different from the structure described below.*

#### **Asset Purchaser Available Revenue Funds**

Prior to the delivery of an Enforcement Notice or an Asset Purchaser Enforcement Notice, the sum of the following amounts, calculated as at each Notes Calculation Date, received or to be received or held by the Asset Purchaser in respect of the three successive Mortgage Calculation Periods immediately preceding such Notes Calculation Date (items (i) up to and including (ix) together the '**Asset Purchaser Available Revenue Funds**')

- (i) as interest, including any prepayment penalties and penalty interest ("*boeterente*"), on the Relevant Mortgage Receivables less, with respect to each Savings Mortgage Receivable, each Hybrid Mortgage Receivable and each Bank Savings Mortgage Receivable, an amount equal to such interest multiplied by the relevant Participation Fraction;
- (ii) as interest credited to the Asset Purchaser Collection Account and as Interest Discount Payment paid by the Issuer;
- (iii) as Net Foreclosure Proceeds on any Mortgage Receivables, to the extent such proceeds do not relate to principal less, with respect to each Savings Mortgage Receivable, each Hybrid Mortgage Receivable and each Bank Savings Mortgage Receivable, an amount equal to the amount received multiplied by the relevant Participation Fraction;
- (iv) as amounts to be received from the Asset Purchaser Swap Counterparty under the Asset Purchaser Swap Agreement on the immediately succeeding Notes Payment Date, excluding, for the avoidance of doubt (a) any collateral transferred by the Asset Purchaser Swap Counterparty pursuant to the Asset Purchaser Swap Agreement, (b) any Asset Purchaser Tax Credit and (c) any amounts received upon early termination of the Asset Purchaser Swap Agreement and applied or to be applied in or towards satisfaction of an initial swap payment to a replacement swap counterparty;
- (v) as amounts received in connection with a repurchase of Mortgage Receivables pursuant to the Asset Purchaser Mortgage Receivables Purchase Agreement to the extent such amounts do not relate to principal or any other amounts to be received pursuant to the Asset Purchaser Mortgage Receivables Purchase Agreement to the extent such amounts do not relate to principal less, with respect to each Savings Mortgage Receivable, each Hybrid Mortgage Receivable and each Bank Savings Mortgage Receivable, an amount equal to the interest amount received multiplied by the relevant Participation Fraction;
- (vi) as amounts received in connection with a sale of the Mortgage Receivables to the extent such amounts do not relate to principal less, with respect to each Savings Mortgage Receivable, each Hybrid Mortgage Receivable and each Bank Savings Mortgage Receivable an amount equal to the amount received multiplied by the relevant Participation Fraction;
- (vii) as amounts received as Post Foreclosure Proceeds in respect of the Mortgage Receivables less, with respect to each Savings Mortgage Receivable, each Hybrid Mortgage Receivable and each Bank Savings Mortgage Receivable, an amount equal to the amount received multiplied by the Participation Fraction;
- (viii) the remaining balance standing to the credit of the Asset Purchaser Collection Account, if any, on the Notes Payment Date on which all IC Loans are redeemed in full or are expected to be redeemed in full; and
- (ix) as amounts to be drawn from a cash collateral account as Set-Off Amount on the immediately succeeding Notes Payment Date;

will pursuant to the Asset Purchaser Trust Agreement be applied on the Notes Payment Date immediately succeeding the relevant Notes Calculation Date in accordance with the Asset Purchaser Revenue Priority of Payments.

**Asset Purchaser Available Principal Funds**

Prior to the delivery of an Enforcement Notice or an Asset Purchaser Enforcement Notice, the sum of the following amounts, calculated as at each Mortgage Calculation Date, received or to be received or held by the Asset Purchaser in respect of the immediately preceding Mortgage Calculation Period (items (i) up to and including (xii) hereinafter referred to as the '**Asset Purchaser Available Principal Funds**')

- (i) as repayment and prepayment in full of principal under the Mortgage Receivables, less, with respect to each Savings Mortgage Receivable, each Hybrid Mortgage Receivable and each Bank Savings Mortgage Receivable, the Participation in such Savings Mortgage Receivable, Hybrid Mortgage Receivable or Bank Savings Mortgage Receivable;
- (ii) on a Notes Calculation Date, any amounts to be credited to the IC Loan Principal Deficiency Ledger, including any amount received or to be received as Subordinated Loan, on the immediately succeeding Notes Payment Date;
- (iii) as Net Foreclosure Proceeds on any Mortgage Receivable, to the extent such proceeds relate to principal less, with respect to each Savings Mortgage Receivable, each Hybrid Mortgage Receivable and each Bank Savings Mortgage Receivable, the Participation in such Savings Mortgage Receivable, Hybrid Mortgage Receivable or Bank Savings Mortgage Receivable;
- (iv) as amounts received in connection with a repurchase of the Mortgage Receivables and any other amounts received pursuant to the Asset Purchaser Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal less, with respect to each Savings Mortgage Receivable, each Hybrid Mortgage Receivable and each Bank Savings Mortgage Receivable, the relevant Participation in such Savings Mortgage Receivable, Hybrid Mortgage Receivable or Bank Savings Mortgage Receivable;
- (v) as amounts received in connection with a sale of Mortgage Receivables to the extent such amounts relate to principal less, with respect to each Savings Mortgage Receivable, Hybrid Mortgage Receivable and Bank Savings Mortgage Receivable, the Participation in such Savings Mortgage Receivable, Hybrid Mortgage Receivable or Bank Savings Mortgage Receivable;
- (vi) as Participation Increase, less any amounts paid towards termination of the relevant Participation in the relevant Savings Mortgage Receivable or Hybrid Mortgage Receivable in case of a Policy Switch, pursuant to the relevant Asset Purchaser Participation Agreement;
- (vii) as partial repayment and prepayment under the Mortgage Receivables, with respect to each Savings Mortgage Receivable, Hybrid Mortgage Receivable or Bank Savings Mortgage Receivable up to an amount equal to the relevant Participation in the relevant Savings Mortgage Receivables, Hybrid Mortgage Receivable or Bank Savings Mortgage Receivable;
- (viii) as amounts received or to be received on the immediately succeeding Mortgage Purchase Date as Initial Insurance Savings Participation or Initial Bank Savings Participation, as applicable;
- (ix) any part of the Asset Purchaser Available Principal Funds calculated on a preceding Notes Calculation Date which has not been applied towards the repayment of the relevant IC Loans or purchase of Further Advance Receivables or New Mortgage Receivables on the immediately preceding Monthly Payment Date;
- (x) as amounts received on the Asset Purchaser Collection Account on the preceding Mortgage Collection Payment Date from the credit balance of the Asset Purchaser Construction Deposit Account in cases where the relevant Asset Purchaser Construction Deposit is paid to the relevant Borrower by means of set-off with the Mortgage Receivables;
- (xi) the net proceeds from an IC Loan under the IC Loan Agreement, made or to be made from (but excluding) the immediately preceding Monthly Payment Date to (and including) the immediately succeeding Monthly Payment Date;

less:

- (xii) any amounts which have been applied in satisfaction by payment or by means of set-off with (part of) the Initial Purchase Price of New Mortgage Receivables and Further Advance

Receivables on the Mortgage Collection Payment Date falling in this Mortgage Calculation Period;

will pursuant to the Asset Purchaser Trust Agreement be applied on the Monthly Payment Date immediately succeeding the relevant Monthly Calculation Date in accordance with the Asset Purchaser Pre-Trigger Event Redemption Priority of Payments or, following the occurrence of a Trigger Event, in or towards satisfaction of principal due under the IC Loans.

#### **Cash Collection Arrangements**

All payments made by Borrowers will be paid into the collection account of the relevant Seller which is held with the Seller Collection Account Bank. Such collection account may also be used for the collection of moneys paid in respect of mortgage loans other than the Mortgage Loans and in respect of other moneys belonging to the relevant Seller.

On each Mortgage Collection Payment Date, the relevant Seller shall, *inter alia*, transfer (or procure the transfer of) all amounts of interest, including any prepayment penalties and penalty interest ("*boeterente*") and in respect of ABN AMRO Bank N.V. and Direktbank N.V., an amount equal to the interest not paid but administered to the balance of the Revolving Credit Mortgage Loan, if any, and principal, less amounts applied to the purchase of Mortgage Receivables received by the relevant Seller in respect of the Mortgage Loans and paid to the relevant Seller's collection account during the immediately preceding Mortgage Calculation Period, to the Asset Purchaser Collection Account, except that in respect of amounts received as interest on the first Mortgage Collection Payment Date the relevant Seller transferred and, if applicable, a new Seller will transfer the quotient of (i) amounts of interest received multiplied by the number of days elapsed from the first Issue Date up to and including the last day of the first Mortgage Calculation Period and (ii) the number of days of the first Mortgage Calculation Period.

If at any time the unsecured, unsubordinated and unguaranteed debt obligations of the Seller Collection Account bank cease to be rated as least as high as the Seller Collection Account Bank Requisite Credit Rating or any such credit rating is withdrawn by any of the Credit Rating Agencies, the each Seller will, to maintain the then current ratings assigned to the Notes at least at the Minimum Credit Ratings or, if the then current ratings of the Notes are lower than the Minimum Credit Ratings, to maintain the then current ratings assigned to the Notes, within thirty (30) days of any such event: (i) (a) open an escrow account in the name of the Asset Purchaser, for the Asset Purchaser's own account, with a party having at least the Seller Collection Account Bank Requisite Rating, and (b) transfer to the escrow account an amount equal to 2 per cent. of the Outstanding Principal Amount of all Relevant Mortgage Loans held by the Asset Purchaser; or (ii) ensure that payments to be made in respect of amounts received on the collection account relating to the Relevant Mortgage Receivables will be guaranteed by a party having at least the Seller Collection Account Bank Required Rating; or (iii) find an alternative Seller Collection Bank Provider having at least the Seller Collection Account Bank Requisite Rating to replace the Seller Collection Bank Provider; or (iv) implement any other actions subject to the consent of the Security Trustee and Rating Credit Agency Confirmation in respect of such other action.

#### **Potential Set-off Arrangement**

The Asset Purchaser Mortgage Receivables Purchase Agreement provides that if a Borrower invokes a set-off right and as a result thereof the Asset Purchaser does not receive the full amount due in respect of the Mortgage Receivable, the relevant Seller will pay to the Asset Purchaser an amount equal to the difference between the amount which the Asset Purchaser would have received if no set-off had taken place and the amount actually received by the Asset Purchaser in respect of such Mortgage Receivable.

In order to mitigate the risk of set-off by Borrowers with amounts standing to the credit of current accounts or deposits held with ABN AMRO Bank N.V., the Asset Purchaser Mortgage Receivables Purchase Agreement provides that if (a) the credit rating of ABN AMRO Bank's short term unsecured, unsubordinated and unguaranteed debt obligations falls below A2 by S&P, Prime-2 by Moody's or R-1(middle) by DBRS or such rating is withdrawn by S&P, Moody's or DBRS or (b) the credit rating of the ABN AMRO Bank's long term unsecured, unsubordinated and unguaranteed debt obligations falls

below BBB+ by S&P, ABN AMRO Bank shall (a) open a cash collateral account in the name of the Asset Purchaser, for its own account, with a party having at least the Seller Collection Account Bank Required Rating, and transfer to the escrow account within thirty (30) days after such action, an amount equal to the Potential Set-Off Amount or (b) implement any other actions subject to the consent of the Security Trustee and Credit Rating Agency Confirmation being available in respect of such action. With respect to such cash collateral, ABN AMRO Bank or the Asset Purchaser, as the case may be, will on each Notes Payment Date transfer to the Asset Purchaser or ABN AMRO Bank, respectively, an amount equal to the increase or reduction, as applicable, of the Potential Set-Off Amount as compared to the immediately preceding Notes Payment Date.

The Asset Purchaser may on each Notes Payment Date draw from such cash collateral account an amount equal to the Set-Off Amount which ABN AMRO Bank N.V. is due to pay to the Asset Purchaser on the basis of the obligation in the Asset Purchaser Mortgage Receivables Purchase Agreement as described above and which is unpaid on such Notes Payment Date, subject to and in accordance with the Asset Purchaser Trust Agreement, which amount shall form part of the Asset Purchaser Available Revenue Funds on such date.

## 5.9 Priority of Payments

### Asset Purchaser Revenue Priority of Payments

Prior to the delivery of an Enforcement Notice or an Asset Purchaser Enforcement Notice, the Asset Purchaser Available Revenue Funds shall be applied by the Asset Purchaser on the Notes Payment Date immediately succeeding the relevant Notes Calculation Date in the following order of priority (in each case only if and to the extent that payments or provisions of a higher order of priority have been made in full) (the '**Asset Purchaser Revenue Priority of Payments**')

- (a) *first*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of (i) the fees or other remuneration due and payable to the Asset Purchaser Director in connection with the Asset Purchaser Management Agreement, and (ii) the fees or other remuneration due and payable to the Shareholder Director and the Security Trustee Director in connection with the relevant Management Agreements and any costs, charges, liabilities and expenses incurred by the Security Trustee under or in connection with any of the Asset Purchaser Transaction Documents;
- (b) *second*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of fees and expenses due and payable to the Asset Purchaser Administrator under the Asset Purchaser Administration Agreement and the Servicer under the Asset Purchaser Servicing Agreement;
- (c) *third*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of any amounts due and payable to third parties under obligations incurred in the Asset Purchaser's business (other than under the Asset Purchaser Transaction Documents), including, without limitation, in or towards satisfaction of sums due or provisions for any payment of the Asset Purchaser's liability, if any, to tax and the fees and expenses of the Credit Rating Agencies and any legal advisor, auditor and accountant appointed by the Asset Purchaser or the Security Trustee;
- (d) *fourth*, in or towards satisfaction of amounts, if any, due but unpaid under the Asset Purchaser Swap Agreement, except for the Asset Purchaser Swap Counterparty Default Payment payable under (i) below and excluding, for the avoidance of doubt, any amount relating to Excess Swap Collateral, the Asset Purchaser Tax Credit and any amount applied or to be applied towards fulfilment of an initial swap payment to a replacement swap counterparty;
- (e) *fifth*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of (i) interest due and payable in respect of the IC Loans and (ii) the IC Loan Costs due and payable by the Asset Purchaser;
- (f) *sixth*, in or towards making good any shortfall reflected in the IC Loan Principal Deficiency Ledger until the debit balance, if any, on the relevant IC Loan Principal Deficiency Ledger is reduced to zero;
- (g) *seventh*, in or towards satisfaction of interest due and payable in respect of the relevant Subordinated Loans by the Asset Purchaser;
- (h) *eighth*, in or towards satisfaction of principal due and payable in respect of the Subordinated Loans by the Asset Purchaser;
- (i) *ninth*, in or towards satisfaction of the Asset Purchaser Swap Counterparty Default Payment payable to the Asset Purchaser Swap Counterparty under the terms of the Asset Purchaser Swap Agreement;
- (j) *tenth*, in or towards satisfaction of gross-up amounts or additional amounts due, if any, to the Issuer pursuant to the IC Loan Agreement; and

- (k) *eleventh*, in or towards satisfaction of a Deferred Purchase Price Instalment to the relevant Sellers.

**Asset Purchaser Pre-Trigger Event Redemption Priority of Payments**

Prior to (i) the occurrence of a Trigger Event or (ii) the delivery of an Enforcement Notice or an Asset Purchaser Enforcement Notice, the Asset Purchaser Available Principal Funds will be applied by the Asset Purchaser on the Monthly Payment Date immediately succeeding the relevant Mortgage Calculation Date in the following order of priority (in each case only if and to the extent that payments or provisions of a higher order of priority have been made in full) (the '**Asset Purchaser Pre-Trigger Event Redemption Priority of Payments**')

- (i) *first*, in or towards satisfaction of principal due to the Issuer under the IC Loans up to the Asset Purchaser Pass-through Payable Amount;
- (ii) *second*, in or towards payment of (part of) the Initial Purchase Price of Relevant Further Advance Receivables to the relevant Seller or Sellers;
- (iii) *third*, in or towards payment of (part of) the Initial Purchase Price of Relevant New Mortgage Receivables to the relevant Seller or Sellers; and
- (iv) *fourth*, in or towards payment of principal under the IC Loans in excess of the Asset Purchaser Pass-through Payable Amount to the Issuer.

For the purpose hereof the following expressions will have the following meaning:

**"Asset Purchaser Pass-through Payable Amount"** means in respect of the Asset Purchaser (a) on any Monthly Payment Date which is not a Notes Payment Date (a) the sum of items (i), (ii), (iii), (iv), (v), (vi), (vii), (viii) and (x) of the Asset Purchaser Available Principal Funds in relation to the immediately preceding Mortgage Calculation Period (b) less any amounts received under item (v) to the extent such amounts result from the sale of Mortgage Receivables pursuant to the best efforts obligation of the Asset Purchaser to repay principal under the IC Loans in connection with the redemption of Notes upon exercise of a call-option in accordance with the Asset Purchaser Trust Agreement, (c) multiplied with the Pass-through Percentage on such date and (b) on any Monthly Payment Date which is also a Notes Payment Date, if on such Notes Payment Date, after application of the Asset Purchaser Pre-Trigger Event Redemption Priority of Payments, the amount standing to the credit of the Asset Purchaser Collection Account is higher than 5 per cent. of the aggregate Principal Amount Outstanding of the Pass-Through Notes on such date, the amount as calculated under (a) above plus an amount equal to the balance of the Asset Purchaser Collection Account multiplied with the following product: (i) the sum of the Principal Payment Rate and the Loss Rate on this Notes Payment Date, and (ii) the Pass-Through Percentage.

**"Principal Payment Rate"** means on any Notes Payment Date in respect of the Asset Purchaser, items (i), (iii), (iv), (v), (vi), (vii) and (ix) of the Asset Purchaser Available Principal Funds in relation to the immediately preceding Notes Calculation Period, divided by the Outstanding Principal Amount of the Mortgage Receivables on the first day of the immediately preceding Notes Calculation Period.

**"Loss Rate"** means on any Notes Payment Date in respect of the Asset Purchaser, the Realised Losses in the preceding Notes Calculation Period, divided by the Outstanding Principal Amount of the Mortgage Receivables of such Asset Purchaser on the first day of the immediately preceding Notes Calculation Period.

**Purchase of Mortgage Receivables on Mortgage Collection Payment Dates**

On each Mortgage Collection Payment Date prior to the earlier of (i) the delivery of an Enforcement Notice or an Asset Purchaser Enforcement Notice or (ii) the occurrence of a Trigger Event, the Asset Purchaser may purchase Relevant New Mortgage Receivables and Relevant Further Advance Receivables from the Sellers up to the Asset Purchaser Purchase Netting Available Amount. The Initial Purchase Price or part thereof may be paid by way of set-off with (part of) the Asset Purchaser Principal Receipts in respect of the Mortgage Loans due by the Relevant Seller on such Mortgage



Collection Payment Date or by means of on-payment of the net proceeds of an IC Loan and thus outside the Asset Purchaser Pre-Trigger Event Redemption Priority of Payments.

#### **Redemption after a Trigger Event**

After the occurrence of a Trigger Event but before delivery of an Enforcement Notice or an Asset Purchaser Enforcement Notice, the Asset Purchaser Available Principal Funds will be applied by the Asset Purchaser on the immediately succeeding Monthly Payment Date in or towards satisfaction of principal due under the IC Loans until fully repaid.

#### **Asset Purchaser Post-Enforcement Priority of Payments**

Following the delivery of an Asset Purchaser Enforcement Notice, but prior to the delivery of an Enforcement Notice, the Asset Purchaser Enforcement Available Amount, which, for the avoidance of doubt, will exclude any Excess Swap Collateral and any Asset Purchaser Tax Credit payable to the Asset Purchaser Swap Counterparty, will be paid by the Security Trustee to the Asset Purchaser Secured Creditors (excluding the Insurance Savings Participants and Bank Savings Participants) in the following order of priority (in each case only if and to the extent that payments or provisions of a higher order of priority have been paid in full) (the '**Asset Purchaser Post-Enforcement Priority of Payments**')

- (a) *first*, in or towards satisfaction, pro rata, according to the respective amounts thereof, of (i) the fees or other remuneration due and payable to the Asset Purchaser Director in connection with the Asset Purchaser Management Agreement, (ii) the fees or other remuneration due and payable to the Shareholder Director and the Security Trustee Director in connection with the relevant Management Agreements and any costs, charges, liabilities and expenses incurred by the Security Trustee under or in connection with any of the Asset Purchaser Transaction Documents; (iii) fees and expenses due and payable to the Asset Purchaser Administrator under the Asset Purchaser Administration Agreement and the Servicer under the Asset Purchaser Servicing Agreement, and (iv) any cost, charge, liability and expenses incurred by the Security Trustee under or in connection with any of the Relevant Asset Purchaser Documents, which will include, *inter alia*, fees and expenses of the Credit Rating Agencies, any legal advisor, auditor or accountant appointed by the Security Trustee to the extent these amounts are related to the Asset Purchaser;
- (b) *second*, in or towards satisfaction of amounts, if any, due and payable to the Asset Purchaser Swap Counterparty under the Asset Purchaser Swap Agreement except for any Asset Purchaser Swap Counterparty Default Payment payable under (g) below;
- (c) *third*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of (i) interest due and payable in respect of the IC Loans and (ii) IC Loan Costs due and payable by the Asset Purchaser;
- (d) *fourth*, in or towards satisfaction of principal and any other amounts due but unpaid in respect of the IC Loans, but excluding any gross-up amounts due under the relevant IC Loan Agreement and payable under (h) below;
- (e) *fifth*, in or towards satisfaction of interest due but unpaid in respect of the Subordinated Loans;
- (f) *sixth*, in or towards satisfaction of principal and any other amounts due but unpaid in respect of the Subordinated Loans;
- (g) *seventh*, in or towards satisfaction of any Asset Purchaser Swap Counterparty Default Payment payable by the Asset Purchaser to the Asset Purchaser Swap Counterparty under the terms of the Asset Purchaser Swap Agreement;
- (h) *eighth*, in or towards satisfaction, pro rata, according to the respective amounts thereof, of gross-up amounts or additional amounts due, if any, to the Issuer pursuant to the IC Loan Agreement;
- (i) *ninth*, in or towards satisfaction of a Deferred Purchase Price Instalment to the relevant Sellers.

After the earlier to occur of the delivery of an Asset Purchaser Enforcement Notice or the delivery of an Enforcement Notice, the Participation Enforcement Available Amount will be paid by the Security Trustee to the Participants.

## 5.10 Loss allocation

### IC Loan Principal Deficiency Ledger

The IC Loan Principal Deficiency Ledger has been established by or on behalf of the Asset Purchaser in order to record any Realised Losses on the Mortgage Receivables as IC Loan Principal Deficiency upon completion of the foreclosure, such that there is no more collateral securing the Mortgage Receivable. Any Realised Loss shall be debited to the IC Loan Principal Deficiency Ledger (such debit item being reccredited at item (f) of the Asset Purchaser Revenue Priority of Payments) so long as the debit balance on such ledger is less than the aggregate Principal Outstanding Amount of the IC Loans of the Asset Purchaser.

If on a Notes Payment Date the Notes of a Series and Class or Sub-class (other than the Class E Notes) are redeemed and such Notes are repaid in full (for the avoidance of doubt, except for any Issuer Principal Deficiency), or if on a Notes Payment Date, a Reserved Ledger Repayment Debit is made, then the Principal Outstanding Amount of all IC Loans and the IC Loan Principal Deficiency Ledgers will be reduced an amount equal to the unpaid Issuer Principal Deficiency on such Notes (if any), other than Class E Notes, and the Reserved Ledger Repayment Debit.

On each Notes Payment Date the amounts credited to the IC Loan Principal Deficiency Ledger as item (f) of the Asset Purchaser Revenue Priority of Payments will form part of the Asset Purchaser Available Principal Funds. On each Notes Payment Date the amounts received by the Asset Purchaser as Subordinated Loan will be credited to IC Loan Principal Deficiency Ledger on such date and will form part of the Asset Purchaser Available Principal Funds.

**'Realised Loss'** means, in respect of any period, the sum of (a) the amount by which (y) the aggregate Outstanding Principal Amount in respect of all Mortgage Receivables in respect of which the relevant Seller, the Servicer or the Asset Purchaser or the Security Trustee has completed the foreclosure, such that there is no more collateral securing the Mortgage Receivable, in such period, less with respect to the Savings Mortgage Receivables, Hybrid Mortgage Receivables and Bank Savings Mortgage Receivables, the relevant Participations, exceeds (z) the amount of the Net Foreclosure Proceeds applied to reduce the Outstanding Principal Amount of such Mortgage Receivables, less with respect to the Savings Mortgage Receivables, Hybrid Mortgage Receivables and Bank Savings Mortgage Receivables, the relevant Participations, (b) with respect to the Mortgage Receivables sold by the Asset Purchaser, the amount by which (y) the aggregate Outstanding Principal Amount of the Mortgage Receivables, less with respect to the Savings Mortgage Receivables, Hybrid Mortgage Receivables and Bank Savings Mortgage Receivables, the relevant Participations, exceeds (z) the purchase price of the Mortgage Receivables sold to the extent relating to principal, less with respect to the Savings Mortgage Receivables, Hybrid Mortgage Receivables and Bank Savings Mortgage Receivables, the relevant Participations and (c) with respect to the Mortgage Receivables in respect of which the Borrower has (i) successfully asserted set-off or defences to payments or (ii) repaid or prepaid any amounts, in both cases the amount by which the Mortgage Receivables have been extinguished ("*teniet gegaan*") unless, and to the extent, such amount is received from the relevant Seller or otherwise pursuant to any of items (i), (iv), (v) or (vii) of the Asset Purchaser Available Principal Funds.

## 5.11. Hedging

The Mortgage Loans bear a fixed rate of interest, which is subject to a reset from time to time, or a floating rate of interest. The IC Loans bear a floating interest rate. The Asset Purchaser has hedged its interest rate exposure by entering into the Asset Purchaser Swap Agreement with the Asset Purchaser Swap Counterparty.

Under the Asset Purchaser Swap Agreement, the Asset Purchaser has agreed to pay on each Notes Payment Date, in respect of the immediately preceding Notes Calculation Period, amounts equal to the sum of:

- (a) the Actual Interest; and
- (b) the interest accrued on the Asset Purchaser Collection Account; and
- (c) any prepayment penalties received by the Asset Purchaser; and less
- (d) the Excess Margin; and less
- (e) the Asset Purchaser Expenses payable on such Notes Payment Date; and less
- (f) the IC Loan Costs payable by the Asset Purchaser on such Notes Payment Date; and less
- (g) an amount equal to Euro 1,620 on the first Notes Payment Date of each year.

On each Notes Payment Date, the Asset Purchaser Swap Counterparty will agree to pay amounts equal to the interest due under the IC Loans, provided that if there is an IC Loan Principal Deficiency recorded on the relevant IC Loan Principal Deficiency Ledger as at the first day of such Floating Rate Interest Period (taking into account the amount of principal repaid and any amount credited to such IC Loan Principal Deficiency Ledger on such day), the Asset Purchaser Swap Counterparty shall not pay such part of interest payable on the IC Loans that corresponds to such IC Loan Principal Deficiency.

The Asset Purchaser Swap Agreement entered into by the Asset Purchaser will be documented under an ISDA Master Agreement. The Asset Purchaser 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 Asset Purchaser Swap Agreement, (iii) (by the Asset Purchaser Swap Counterparty only) an Asset Purchaser Enforcement Notice or an Enforcement Notice is served. Events of Default under the Asset Purchaser Swap Agreement in relation to the Asset Purchaser will be limited to (i) non-payment under the Asset Purchaser Swap Agreement and (ii) certain insolvency events.

Upon the early termination of the Asset Purchaser Swap Agreement, the Asset Purchaser or the Asset Purchaser Swap Counterparty may be liable to make a termination payment to the other party. The amount of any termination payment will be based on the market value of the terminated Asset Purchaser 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 Asset Purchaser is required to withhold or deduct an amount in respect of tax from payments due from it to the Asset Purchaser Swap Counterparty, the Asset Purchaser will not be required pursuant to the terms of the Asset Purchaser Swap Agreement to pay the Asset Purchaser Swap Counterparty such amounts as would otherwise have been required to ensure that the Asset Purchaser Swap Counterparty received the same amounts that it would have received had such withholding or deduction not been made.

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

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

If the unsecured, unsubordinated and unguaranteed debt obligations of the Swap Counterparty cease to be rated at least as high as the Swap Requisite Credit Rating or such credit rating is withdrawn by a Credit Rating Agency, the Asset Purchaser Swap Counterparty will be required to take certain remedial measures which may include the provision of collateral for its obligations under the Asset Purchaser Swap Agreement, arranging for its obligations under the Asset Purchaser Swap Agreement to be transferred to an entity with the Swap Requisite Credit Rating, procuring another entity with at least the Swap Requisite Rating to become co-obligor in respect of its obligations under the Asset Purchaser Swap Agreement, or the taking of such other action as will result in the credit ratings of the Notes then outstanding being restated to or maintained at the level they were at immediately prior to such downgrade event. A failure to take such steps, subject to certain conditions, will give the Asset Purchaser a right to terminate the Asset Purchaser Swap Agreement.

Any Excess Swap collateral transferred by the Asset Purchaser Swap Counterparty will be returned to the Asset Purchaser Swap Counterparty prior to the distribution of any amounts due by the Asset Purchaser under the Asset Purchaser Transaction Documents and outside the Asset Purchaser Revenue Priority of Payments.

## 5.12 Asset Purchaser Transaction Accounts

### **Asset Purchaser Collection Account**

The Asset Purchaser will maintain with the Asset Purchaser an Asset Purchaser Collection Account to which all amounts received (i) in respect of the Mortgage Loans, (ii) from the Insurance Savings Participants under the Asset Purchaser Insurance Savings Participation Agreements and the Bank Savings Participants under the Asset Purchaser Bank Savings Participation Agreement and (iii) from the other parties to the Asset Purchaser Transaction Documents to which the Asset Purchaser is a party will be paid.

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

Prior to the delivery of an Enforcement Notice or an Asset Purchaser Enforcement Notice, no payments from the Asset Purchaser Collection Account will be made other than (a) on a Notes Payment Date in respect of all items referred to in the Asset Purchaser Interest Priority of Payments and (b) on a Monthly Payment Date in respect of principal, except (i) to satisfy amounts due to third parties (other than pursuant to the Asset Purchaser Transaction Documents) and under obligations incurred in the Asset Purchaser's business, (ii) on each Mortgage Collection Payment Date to satisfy amounts due to the Insurance Savings Participants under the Asset Purchaser Insurance Savings Participation Agreements and to the Bank Savings Participants under the Asset Purchaser Bank Savings Participation Agreement or (iii) to grant IC Loans. For the avoidance of doubt, on a Mortgage Collection Payment Date the Asset Purchaser may set-off amounts payable by the relevant Seller with the Initial Purchase Price of Relevant New Mortgage Receivables or Relevant Further Advance Mortgage Receivables or apply the proceeds of a new IC Loan towards payment of the Initial Purchase Price of New Mortgage Receivables or Further Advance Mortgage Receivables.

### **Asset Purchaser Construction Deposit Account**

In addition, the Asset Purchaser will maintain with the Asset Purchaser Account Bank an Asset Purchaser Construction Deposit Account. The Asset Purchaser and the Sellers have agreed in the Asset Purchaser Mortgage Receivables Purchase Agreement that the Asset Purchaser will be entitled to withhold from the relevant Initial Purchase Price an amount equal to the aggregate Asset Purchaser Construction Deposits. Such amount will be deposited on the Asset Purchaser Construction Deposit Account. On each Notes Payment Date, the Asset Purchaser will release from the Asset Purchaser Construction Deposit Account such part of the Initial Purchase Price which equals the difference between the aggregate Asset Purchaser Construction Deposits relating to the Relevant Mortgage Receivables and the balance standing to the credit of the Asset Purchaser Construction Deposit Account and pay such amount to the relevant Seller, except if and to the extent that the Borrower has invoked defences or set-off and, as a result, in respect of which the Asset Purchaser has no further obligation to pay such part of the Initial Purchase Price. Such amount will be credited to the Asset Purchaser Collection Account and will form part of the Asset Purchaser Available Principal Funds.

Asset Purchaser Construction Deposits have to be paid out after the building activities or renovation activities have been finalised. Upon the expiry of such period, the remaining Asset Purchaser Construction Deposit will be set-off against the Relevant Mortgage Receivable up to the amount of the Asset Purchaser Construction Deposit, in which case the Asset Purchaser shall have no further obligation towards the relevant Seller to pay the remaining part of the relevant Initial Purchase Price, and consequently any remaining part of the amounts of the Asset Purchaser Construction Deposit Account will form part of the Asset Purchaser Available Principal Funds. If an Asset Purchaser Assignment Notification Event set out under (e) (see section 7.1 (*Purchase, repurchase and sale*)) has occurred, the Asset Purchaser will no longer be under the obligation to pay such remaining part of the relevant Initial Purchase Price.

If at any time, the unsecured, unsubordinated and unguaranteed debt obligations of the Asset Purchaser Account Bank cease to be rated at least as high as the Requisite Credit Rating or any such credit rating is withdrawn by a Credit Rating Agency, then the Asset Purchaser Account Bank will (a) within thirty (30) days or (b), if the unsecured, unsubordinated and unguaranteed debt obligations of the Asset Purchaser Account Bank cease to be rated at least as high as the Requisite Credit Rating solely applicable to S&P or any such credit rating is withdrawn solely by S&P, within the later of (a) sixty (60) days of any such event and (b) if, on or before the 60<sup>th</sup> day following such event, the Asset Purchaser Account Bank has submitted a written proposal for a remedy to S&P and S&P has confirmed in writing to the Asset Purchaser Account Bank that the implementation of that proposal will not cause it to downgrade the Notes, ninety (90) days of any such event (i) obtain a third party, having at least Requisite Credit Rating to guarantee the obligations of the Asset Purchaser Account Bank, or (ii) find an alternative Asset Purchaser Account Bank having at least the Requisite Credit Rating or (iii) find any other solution acceptable to the Security Trustee and provided that a Credit Rating Agency Confirmation is available in respect of such other solution.

## 5.13 Asset Purchaser Administration Agreement

The Asset Purchaser Administrator has in the Asset Purchaser Administration Agreement agreed to provide certain administration, calculation and cash management services to the Asset Purchaser, including (a) the production of monthly reports in relation thereto, (b) all payments to be made by the Asset Purchaser under the Asset Purchaser Swap Agreement, and (c) the maintaining of all required ledgers in connection with the above.

### Termination

The Asset Purchaser Administration Agreement may be terminated by the Security Trustee or the Asset Purchaser (with the consent of the Security Trustee upon the occurrence of certain termination events, including (a) a default by the Asset Purchaser Administrator in the payment on the due date of any payment due and payable by it under the Asset Purchaser Administration Agreement (unless remedied within the applicable grace period) (b) a default by the Asset Purchaser Administrator in the performance or observance of any of its other covenants and obligations under the Asset Purchaser Administration Agreement, which in the opinion of the Security Trustee is materially prejudicial to the interests of the Asset Purchaser and/or the holders of any Class of Notes or (c) the Asset Purchaser Administrator has taken any corporate action or any steps have been taken or legal proceedings have been instituted for its entering into bankruptcy, suspension of payments or emergency regulations ("noodregeling").

After termination of the Asset Purchaser Administration Agreement, the Security Trustee and the Asset Purchaser shall use their best effort to appoint a substitute administrator and such substitute administrator shall enter into an agreement with the Asset Purchaser and the Security Trustee substantially on the terms of the Asset Purchaser Administration Agreement, provided that such substitute administrator shall have the benefit of an administration fee at a level to be then determined. The Asset Purchaser 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 Asset Purchaser Rights Pledge Agreement, *mutatis mutandis*, to the satisfaction of the Security Trustee.

In addition, the Asset Purchaser Administration Agreement may be terminated (i) by the Asset Purchaser Administrator and (ii) by the Asset Purchaser upon the expiry of not less than twelve (12) months' notice of termination given by (i) the Asset Purchaser Administrator to the Asset Purchaser and the Security Trustee, or (ii) by the Asset Purchaser to the Asset Purchaser Administrator and the Security Trustee, provided that - *inter alia* - (a) the Security Trustee consents in writing to such termination and (b) a substitute administrator shall be appointed, such appointment to be effective not later than the date of termination of the Asset Purchaser Administration Agreement and such substitute asset purchaser administrator enters into an agreement substantially on the terms of the Asset Purchaser Administration Agreement and the Asset Purchaser Administrator shall not be released from its obligations under the Asset Purchaser Administration Agreement until such new agreement has been signed and entered into effect with respect to such substitute asset purchaser administrator.

## 6. PORTFOLIO INFORMATION

### 6.1 Description of Mortgage Loans

The Mortgage Loans will be selected on the basis of the Mortgage Loan Criteria set out in the Asset Purchaser Mortgage Receivables Purchase Agreement and the representations and warranties given by the relevant Sellers (see Section 7.3 *Mortgage Loan Criteria* and Section 7.2 *Representation and Warranties*).

Mortgage Loans are loans secured by a Mortgage evidenced by notarial mortgage deeds ("*notariële akten van hypotheekstelling*"), that the relevant Seller or Originator has entered into with the relevant Borrowers. The Mortgage Loans are all secured by All Moneys Security Rights (see Section 2 (*Risk Factors, Risk that the All Moneys Security Rights will not follow the Mortgage Receivables upon assignment to the Asset Purchaser*)).

#### **Mortgage Loans originated by ABN AMRO Bank N.V. (or its legal predecessor Fortis Bank (Nederland) N.V.)**

*This description is limited to Mortgage Loans originated by ABN AMRO Bank N.V. and its legal predecessor Fortis Bank (Nederland) N.V. to the extent the Mortgage Receivables relating to these Mortgage Loans have been sold to the Asset Purchaser and does not include a description of all mortgage loans originated by ABN AMRO Bank N.V.*

#### **Mortgage Types**

*Life Mortgage Loans:   Hypotheek met ProfijtPlan  
                                  MeerKeuze hypotheekverzekering  
                                  Hypotheek met ASR Garantieverzekering  
                                  Hypotheek met ASR Beleggingsverzekering  
                                  Levenhypotheek*

A Life Mortgage Loan ("*levenhypotheek*") and each Life Mortgage Receivable relating to a Life Mortgage Loan is connected to a life insurance policy that the Borrower takes out with one of the Insurance Companies. A Life Insurance Policy is a combined risk- and capital insurance policy. Under this type of Mortgage Loan, the Borrower does not repay any principal, but instead pays life insurance premiums and interest on the Mortgage Loan. The premiums are used to provide death cover and to accumulate capital. There are different types of Life Insurance Policies, depending on (i) the way in which the capital insurance element of the premium is invested by the relevant Insurance Company and (ii) whether the return on the invested capital is guaranteed or not. Endowment policies (including *Hypotheek met ASR Garantieverzekering*) guarantee the return on the invested capital. Life Insurance Policies that do not guarantee the return on invested capital, invest the premium in certain investment funds (*Hypotheek met ProfijtPlan, Hypotheek met ASR Beleggingsverzekering*). Under a Hybrid Mortgage Loan the premia are invested in a fund, called "*Hypotheekrentefonds*", whereby the return corresponds to the return on a Savings Investment Insurance Policy (*MeerKeuze hypotheekverzekering*).

The *Hypotheek met ASR Garantieverzekering* gives the right to profit sharing. The Borrower has the right to determine whether any return in excess of the guaranteed interest should be added to the guaranteed return or whether it should be invested in certain investment funds.

The life insurance benefits are generally used to repay the Mortgage Loan (whether in full or in part) upon maturity. These benefits are paid out either upon the maturity of the Life Insurance Policy (generally after thirty (30) years) or upon the death of the Borrower, if this occurs earlier.

*Savings Mortgage Loans:   Spaarhypotheek  
                                  Spaarhypotheek VSB Leven*



*Spaarhypothek AXA*  
*Spaarhypothek AMEV*

An Savings Mortgage Loan ("*spaarhypothek*") consists of a savings insurance policy that the Borrower takes out with one of the Insurance Companies. A Savings Insurance Policy combines death cover with a savings plan. Under this type of Mortgage Loan, the Borrower does not repay any principal, but instead pays a Savings Premium, which consists of a risk element and a savings element and interest on the Mortgage Loan. The premiums are used to provide death cover and accumulate savings. The savings are calculated so that the benefits of the Savings Insurance Policy paid out by the Insurance Companies to the relevant Borrower are equal to the amount that the Borrower owes the relevant Seller upon the maturity of the Mortgage Loan. These benefits will be used to repay the Mortgage Loan (whether in full or in part). They are paid out either upon the maturity of the Savings Insurance Policy (which will correspond with the term of the Mortgage Loan and will usually be after thirty (30) years) or upon the death of the Borrower if this occurs earlier.

*Bank Savings Mortgage Loans*

The Mortgage Loans (or parts thereof) may be in the form of a Bank Savings Mortgage Loan ("*bankspaarhypothek*") which consist of Mortgage Loans entered into by ABN AMRO Bank and the relevant Borrower combined with a blocked Bank Savings Account. Under the Bank Savings Mortgage Loan no principal is paid by the Borrower prior to the maturity of the Mortgage Loan. Instead, the Borrower pays a Bank Savings Deposit in the Bank Savings Account. The Monthly Bank Savings Deposit Instalment is calculated in such a manner that, on an annuity basis, the Bank Savings Deposit is equal to the relevant part of the amount due by the Borrower to ABN AMRO Bank at maturity of the Bank Savings Mortgage Loan. The Bank Savings Deposits are pledged to ABN AMRO Bank as security for repayment of the relevant Bank Savings Mortgage Loan.

*Investment Mortgage Loans: MeerKeuze hypotheekrekening*

An Investment Mortgage Loan is a loan covered by an investment plan, which also includes a Life Insurance Policy, which the Borrower takes out with one of the Insurance Companies. Under this type of Mortgage Loan, the Borrower does not repay any principal. Instead he or she pays interest on the Mortgage Loan and monthly instalments that are used (i) to purchase units in certain investment funds, or at the option of the Borrower to make deposits in a savings account with ABN AMRO Bank N.V. and (ii) to pay insurance premiums under a risk insurance contract.

The units in the investment funds are held in an investment account at Stichting Beleggersgiro ABN AMRO. The investment funds are all managed by BNP Paribas Investment Partners Netherlands N.V. Borrowers can switch investments or decide to apply future instalments differently.

Upon maturity (which is generally after thirty (30) years), the investments will be sold and the proceeds used to repay the Mortgage Loan (whether in full or in part). Should the Borrower die, the proceeds from the Life Insurance Policy will be applied towards repayment of the Mortgage Loan.

*Revolving Credit Mortgage Loans: Krediethypothek*  
*Plushypothek*  
*Vermogenshypothek*

A Revolving Credit Mortgage Loan ("*krediethypothek*"), is a mortgage loan under which the Borrower has the right, up to a limit agreed in advance, to withdraw Moneys and repay Moneys at any time. The client pays interest on the outstanding principal amount at a variable interest rate percentage, which at any requested moment, without prior notice, can be adjusted.

*Annuity Mortgage Loans: Annuiëtenhypothek*

Under an Annuity Mortgage Loan the Borrower repays the Mortgage Loan in equal monthly instalments, consisting of both payments of interest and repayment of principal. Each month the interest component in the instalment will decrease and the principal component will increase.

#### *Linear Mortgage Loans:*

#### *Lineaire Hypotheek*

Under a Linear Mortgage Loan the Borrower repays the principal sum in equal monthly principal instalments, plus interest on the outstanding principal amount. The principal instalments remain the same until maturity, while the interest payments will diminish.

#### *Interest-only Mortgage Loans: Aflossingsvrije Hypotheek*

Under an Interest-only Mortgage Loan the outstanding principal amount should be repaid upon maturity or upon the death of the Borrower, if this occurs earlier.

#### **Interest Rates**

Borrowers are offered the following options for paying interest:

##### *Fixed Interest*

Interest on the Mortgage Loans is fixed for a specified period. The client can choose for an optional extendable specified period.

##### *Floating Interest*

Interest on the Mortgage Loans is variable based on a benchmark. The Interest is fixed at a pre determined interval.

##### *Starter Interest*

The Borrower pays interest at a fixed rate for the first twelve (12) months or twenty four (24) months of the Mortgage Loan. During the chosen period, the Borrower can opt for a fixed interest rate for a specified future period, see Fixed Interest above. The 12-month or 24-month period cannot be extended.

##### *Ideaalrente*

Ideaalrente is a proceeding average of the interest rate. The applicable interest rate is calculated once a year and is based on the average rate for mortgage loans over the previous five (5) years. The interest is set in advance, so it will be applied for 1 year starting from the fixing date.

##### *Rentebedenktijd achteraf*

On the agreed interest review date (respectively after the 5th or 10th year since the starting date of the mortgage loan) the Borrower opts for a twenty four (24) months period, during which he can choose the fixing of the interest rate that will be applied to his loan during the next fixed period. The Borrower can choose the length of the next fixed period from the then available offer (starter Interest is excluded as an option).

**Mortgage Loans originated by Direktbank N.V., also acting as *ASR Woninghypotheeken* (or its legal predecessors), Quion 9 B.V. and Oosteroever Hypotheeken B.V.**

#### **Mortgage Types**

##### *Life Mortgage Loans:*

*Hypotheek met Garantieverzekering*  
*Levenhypotheek*  
*Hypotheek met Beleggingsverzekering*  
*Hypotheek met ABC Spaarplan*  
*Hypotheek met VIP*  
*Hybride Hypotheek*  
*Maximum+ Hypotheek Plan*  
*Maximum+ Hybride Hypotheek Plan*  
*Waerdije Hypotheekplan*  
*Stad Rotterdam Plan*  
*Plus+Basis Hypotheek*  
*Atlas Hypotheek*  
*Levenhypotheek (Quion 9 B.V.)*

*Levenhypotheek (Oosteroever Hypotheken) B.V.*  
*SpaarToekomst Hypotheek (Quion 9 B.V.)*  
*Levensplan Bonus Hypotheek ( Quion 9 B.V.)*  
*Balanshypotheek ( Quion 9 B.V.)*  
*Spaar & Beleggingshypotheek INNOVA (Quion 9 B.V.)*

As set out above, a Life Mortgage Loan is connected to a life insurance policy that the Borrower takes out with one of the relevant Insurance Companies. A Life Insurance Policy is a combined risk- and capital insurance policy. Under this type of Mortgage Loan, the Borrower does not repay any principal, but instead pays life insurance premiums and interest on the Mortgage Loan. The premiums are used to provide death cover and to accumulate capital. There are different types of Life Insurance Policies, depending on (i) the way in which the capital insurance element of the premium is invested by the relevant Insurance Company, (ii) whether the return on the invested capital is guaranteed or not. Endowment policies ("*Garantieverzekering*") guarantee the return on invested capital. Life Insurance Policies that do not guarantee the return on invested capital, invest the capital in certain investment funds (*Beleggingsverzekering, ABC Spaarplan, VIP, Waerdye Hypotheekplan and Maximum+ Hypotheek Plan*) or in fixed income products (*Stad Rotterdam Plan*). In the case of a Hybrid Mortgage Loan the premia are invested in a fund (called *Hypotheekrenterekening*) whereby the return corresponds to the return on a Savings Investment Insurance Policy (*Hybride Hypotheekverzekering and Maximum+ Hybride Hypotheek Plan*).

The *Garantieverzekering* and the *Beleggingsverzekering* give the right to profit sharing. The Borrower has the right to determine whether any return in excess of the guaranteed interest should be added to the guaranteed return or whether it should be invested in certain investment funds.

The life insurance benefits are generally used to repay the Mortgage Loan (whether in full or in part) upon maturity. These benefits are paid out either upon the maturity of the Life Insurance Policy (generally after thirty (30) years) or upon the death of the Borrower, if this occurs earlier.

*Savings Mortgage Loans:*

*Spaarhypotheek ASR Woninghypotheken*  
*Flexibele Spaarhypotheek*  
*Zorgen Vrij Hypotheek*  
*Succeshypotheek*  
*Perspectief Hypotheek*  
*Spaar Evenwicht Hypotheek*  
*Spaar-Direkt-Hypotheek*  
*Direktbank Spaarhypotheek*  
*Spaarhypotheek Erasmus*  
*Spaarhypotheek NOG (Reaal)*  
*Spaarhypotheek Van Nierop*  
*Spaar-Relax-Hypotheek*  
*Spaarhypotheek Zurich*  
*SpaarOptie Hypotheek (Quion 9 B.V.)*  
*Erasmus Spaar Exact Hypotheek (Quion 9 B.V.)*  
*Eigen Huis Plus Plan (Quion 9 B.V.)*  
*Solide Koers Spaarhypotheek (Oosteroever Hypotheken B.V.)*  
*Solide Koers Programma (SKP) Flex Spaarhypotheek (Oosteroever Hypotheken B.V.)*  
*De Amersfoortse Spaarhypotheek (Oosteroever Hypotheken B.V.)*

As described above, a Savings Mortgage Loan consists of a Savings Insurance Policy that the Borrower in case of Direktbank N.V. takes out with one of the relevant Insurance Companies. Under this type of Mortgage Loan, the Borrower does not repay any principal, but instead pays a premium, which consists of a risk element and a savings element and interest on the Mortgage Loan. The premiums are used to provide death cover and accumulate savings. The savings are calculated so that the benefits of the Savings Insurance Policy paid out by the relevant Insurance Savings

Participant to the relevant Borrower are equal to the amount that the Borrower owes the relevant Seller upon the maturity of the Mortgage Loan. These benefits will be used to repay the Mortgage Loan (whether in full or in part). They are paid out either upon the maturity of the Savings Insurance Policy (which will correspond with the term of the Mortgage Loan and will usually be after thirty (30) years) or upon the death of the Borrower if this occurs earlier.

#### *Bank Savings Mortgage Loans*

The Mortgage Loans (or parts thereof) may be in the form of a Bank Savings Mortgage Loan ("*bankspaarhypotheek*") which consist of Mortgage Loans entered into by Direktbank and the relevant Borrower combined with a blocked Bank Savings Account. Under the Bank Savings Mortgage Loan no principal is paid by the Borrower prior to the maturity of the Mortgage Loan. Instead, the Borrower pays a Bank Savings Deposit in the Bank Savings Account. The Monthly Bank Savings Deposit Instalment is calculated in such a manner that, on an annuity basis, the Bank Savings Deposit is equal to the relevant part of the amount due by the Borrower to Direktbank at maturity of the Bank Savings Mortgage Loan. The Bank Savings Deposits are pledged to Direktbank as security for repayment of the relevant Bank Savings Mortgage Loan.

*Investment Mortgage Loans:*

- Effecthypotheek ASR Woninghypotheeken*
- Beleggingshypotheek ASR Woninghypotheeken*
- Direkt-Effect-Hypotheek*
- Direkt-Effect-Hypotheek Budget*
- Beleggingshypotheek*
- Beleggershypotheek (Quion 9 B.V.)*
- Solide Koers Beleggingshypotheek (Oosteroever Hypotheeken B.V.)*
- Overwaarde Hypotheek (Quion 9 B.V.)*

As set out above, an Investment Mortgage Loan is a loan covered by an investment plan, which also includes a Life Insurance Policy in the case of the *Effecthypotheek ASR Woninghypotheeken* and the *Beleggingshypotheek ASR Woninghypotheeken* (with death cover only), which the Borrower takes out with one of the relevant ASR Insurance Companies. Under this type of Mortgage Loan, the Borrower does not repay any principal. Instead the Borrower pays interest on the Mortgage Loan and monthly instalments that are used (1) to purchase units in certain investment funds or, in the case of the *Beleggingshypotheek ASR Woninghypotheeken*, at the option of the Borrower (i) to pay the premiums on a Savings Insurance Policy with any of the relevant Savings Participants ("*ASR Spaarhypotheek Garantie*") (each an 'Investment Savings Mortgage Loan') or (ii) to make deposits in a savings account with the ASR Bank ("*ASR Liquide Middelen*") or (iv) for a combination of the above and (2) to pay insurance premiums.

The units in the investment funds for *Effecthypotheek ASR Woninghypotheeken*, *Beleggingshypotheek ASR Woninghypotheeken*, *Direkt-Effect-Hypotheek* and *Direkt-Effect-Hypotheek Budget*, are held in an investment account at Stichting ASR Verzekeringen Beleggersgiro. The investment funds are all managed by BNP Paribas Investment Partners Netherlands N.V. Borrowers of the *Effecthypotheek ASR Woninghypotheeken* and *Beleggingshypotheek ASR Woninghypotheeken*, can switch investments or decide to apply future instalments differently.

The units in the investment funds for the *Beleggingshypotheek*, *Beleggershypotheek* and *Solide Koers Beleggingshypotheek* are held in an investment account with an investment manager or bank in the Netherlands.

Upon maturity (which is generally after thirty (30) years), the investments will be sold and the proceeds used to repay the Mortgage Loan (whether in full or in part). Should the Borrower die, the proceeds from the Life Insurance Policy will be applied towards repayment of the Mortgage Loan.

*Revolving Credit Mortgage Loans: Doorloop Hypotheek (only originated by Direktbank N.V.)*

As set out above, a Revolving Credit Mortgage Loan is a mortgage loan under which the Borrower has the right, up to a limit agreed in advance, to withdraw and repay an amount of money at any time.

The Borrower pays interest on the outstanding principal amount at a variable interest rate, which can be adjusted by the Bank without prior notice. The Revolving Credit Mortgage Loan is repaid in full upon maturity or upon the death of the Borrower, if this occurs earlier.

*Annuity Mortgage Loans: Annuiiteitenhypothek*

Under an Annuity Mortgage Loan the Borrower repays the Mortgage Loan in equal monthly instalments, consisting of both interest and capital repayments. Each month the interest component in the instalment will decrease and the principal component will increase.

*Linear Mortgage Loans: Lineaire Hypotheek*

Under a Linear Mortgage Loan the Borrower repays the principal sum in equal monthly instalments, plus interest on the outstanding principal amount. The principal instalments remain the same until maturity, while the interest payments will decrease over time.

*Interest-only Mortgage Loans: Aflossingsvrije Hypotheek*

Under an Interest-only Mortgage Loan the outstanding principal amount should be repaid upon maturity or upon the death of the Borrower, if this occurs earlier.

**Interest Rates**

Borrowers are offered the following options for paying interest:

*Fixed Interest*

Interest on the Mortgage Loans is fixed for a specified period. The Borrower is given option for an extended specified period (six (6) months to thirty (30) years).

*Floating Interest*

Interest on the Mortgage Loans is variable based on a benchmark. The Interest is fixed at a pre determined (monthly) interval.

*Floating Interest (Quion 9 B.V and Oosteroever Hypotheken B.V.)*

Interest on the Mortgage Loans is variable based on euribor. The Interest is fixed at a pre determined (every three (3) months) interval.

*Starter Interest (Rentebedenktijd vooraf)*

The Borrower pays interest at a fixed rate for the first twelve (12) months of the Mortgage Loan. During this period, the Borrower can opt for a fixed interest rate for a specified future period, see Fixed Interest above. The 12-month option period cannot be extended.

*Rentebedenktijd vooraf (OC 951) (Quion 9 B.V.)*

The Borrower pays interest at a fixed rate for the first twelve (12) months of the Mortgage Loan. During this period, the Borrower can opt for a fixed interest rate for a specified future period, see Fixed Interest above. The 12-month option period can be extended.

*Rentebedenktijd vooraf (OC) (Quion 9 B.V.)*

The Borrower pays interest at a fixed rate for the first twelve (12) months of the Mortgage Loan. During this period, the Borrower can opt for a fixed interest rate for a specified future period, see Fixed Interest above. The 12-month option period cannot be extended.

*Rentebedenktijd achteraf*

On the agreed interest review date (respectively after the 5th, 10th or 13th year since the starting date of the mortgage loan) the Borrower opts for a twenty four (24) months period, during which he can choose the fixing of the interest rate that will be applied to his loan during the next fixed period. The Borrower can choose the length of the next fixed period from the then available offer (starter Interest is excluded as an option).

*Rentebedenktijd achteraf (Quion 9 B.V., Oosteroever Hypotheken B.V. and ASR Woninghypotheken)*

On the agreed interest review date (respectively after the 5th or 10th year since the starting date of the mortgage loan) the Borrower opts for a twenty four (24) months period, during which he can choose the fixing of the interest rate that will be applied to his loan during the next fixed period. The Borrower can choose the length of the next fixed period from the then available offer (Starter Interest/ Rente bedenktijd vooraf is excluded as an option).

*Relax/Plus interest*

Interest on the Mortgage Loans is fixed for a specified period, one (1) or three (3) months. The interest rate after the specified period does not change for another one (1) or three (3) months if the interest rate stays within a pre determined margin.

*RenteRiant interest (Quion 9 B.V.)*

Interest on the Mortgage Loans is fixed for a specified period, three (3) months. The interest rate after the specified period does not change for another three (3) months if the interest rate stays within a pre determined margin.

*Margin Interest*

The rate of interest payable on the Mortgage Loan is reset annually, subject to caps and floors (relative to a base rate), which provides the Borrower with some protection against interest rate changes. The base rate itself may be reset from time to time.

## 6.2 Origination and servicing by Sellers

*This description, to the extent referring to mortgage loans originated by ABN AMRO Bank N.V., is limited to the underwriting and servicing of Mortgage Loans originated by ABN AMRO Bank N.V. and its legal predecessor Fortis Bank (Nederland) N.V. to the extent the Mortgage Receivables relating to these Mortgage Loans have been sold to the Asset Purchaser and does not include a description of the mortgage loan underwriting and servicing of all mortgage loans originated by ABN AMRO Bank N.V.*

### Introduction

The Sellers under the Programme apply identical rules and procedures in underwriting mortgage loans. The distribution channels vary among branches, independent intermediaries, insurer companies and bigger distribution partners. Acceptance criteria, limits and pricing are determined centrally by ABN AMRO Hypotheken Groep. Stater (a 100 % subsidiary of ABN AMRO Bank) acts as a servicer in relation to all Sellers, except for Quion 9 B.V. and Oosteroever Hypotheken B.V. for which Quion Groep B.V. and its subsidiaries act as servicer. Special services are performed by either Solveon Incasso B.V. or HypoCasso B.V.

### Origination

ABN AMRO Bank N.V. originates loans predominantly via retail and local intermediary channels using the ABN AMRO Bank brand name. The mortgage origination policy is determined within several head office departments of ABN AMRO Hypotheken Groep B.V. Locally operating branches of ABN AMRO Bank are involved in client contact. If authorised, the locally operating mortgage advisers are handling standard mortgage applications up to the point of final approval. Overrides and other specific situations are handled centrally by ABN AMRO Hypotheken Groep. For non-branch channels (i.e. local brokers, intermediaries) proposal, offering, completion and acceptance of a loan are handled by ABN AMRO Hypotheken Groep.

### Procedures

ABN AMRO Hypotheken Groep has introduced an automated lending decision management system ("**SAFE/Capstone**"). SAFE provides the rules and risk models that regulate the underwriting process. In addition, it acts to accelerate the processing time of decisions on a mortgage loan application. It includes the ability to tailor rules to the lender's risk and reward expectations and business policies by means of a credit scoring model.

First, the application data is entered into SHS ("**Stater Hypotheek System**") and combined with five year credit history of the applicant which is automatically collected from the BKR (National Credit Register). Second the application is automatically evaluated by SAFE, in order to assess whether the application complies with the minimum underwriting criteria. In case of violation of the underwriting criteria SAFE generates a STOP-rule, and a mortgage loan proposal cannot be sent out to the client. A STOP-rule relating to NHG-criteria cannot be overruled. In other cases, the relevant Seller will be contacted to see whether or not the STOP-rule may be overruled. Authorisation levels are the same for all third party servicers.

If the mortgage loan is accepted, the relevant Seller can make the applicant a mortgage loan proposal. Once the applicant accepts the proposal, the relevant Seller collects and reviews the signed proposal and all the other necessary mortgage loan documents. After completing the mortgage loan file and final acceptance thereof, the mortgage loan file is scanned onto HYARCHIS (mortgage archive system) which communicates with SHS. In addition, after the final acceptance

### Software tools

The underwriting process is supported by customized software tooling, which encompasses the entire acceptance protocol. These tools check NHG Guarantee status and calculates the maximum loan that can be advanced. It also forecasts the future value of any life insurance policy or investment account that forms part of the collateral. Furthermore, the tool produces the proposals.

In the case of Direktbank N.V., which originates its mortgage loans through independent brokers and intermediaries, the mortgage applications are received by the acceptance departments via mail, e-

mail, fax or an electronic data network. The internal audit department regularly checks whether the mortgage loans comply with the underwriting protocol.

### **Underwriting**

For all channels of origination, the Sellers carry out mortgage underwriting according to the guidelines set by central management of ABN AMRO Hypotheken Groep. The main focus in underwriting is on affordability, borrower creditworthiness, property type and valuation.

#### *Income ratio ("Woonquote")*

The "Woonquote" is the percentage of gross income that indicates the maximum cost in interest and instalments to be spent on a mortgage by customers. The Woonquote is based on the strict criteria of the 'Nibud' scheme, which is also used by the WEW ("*Stichting Waarborgfonds Eigen Woning* ") in setting the NHG ("*Nationale Hypotheek Garantie*") requirements, and prescribed by the mortgage Code of Conduct.

#### *Loan to value*

The loan to value ratio is subject to a maximum of 125 per cent. and is calculated by dividing the principal amount of the loan by the foreclosure value ("**Current LTOFV**"). The foreclosure value ("*executiewaarde*") of a property is usually between 75 per cent to 90 per cent of the market value of such property.

All exceptions to the mortgage underwriting criteria must be approved specifically. Price exceptions can be approved by ABN AMRO Bank, product specification and approval exceptions at different departments within ABN AMRO Hypotheken Groep. The exception criteria are based on a policy set up by head office departments of ABN AMRO Bank and ABN AMRO Hypotheken Groep.

#### *Property Valuation Procedures*

Under the currently prevailing criteria, properties require a valuation prior to the final approval of the mortgage request. Which, in respect of Mortgage Loans originated by ABN AMRO Bank, means that the Mortgaged Asset concerned was valued by an independent qualified appraiser except, (i) for Mortgage Loans relating to existing property, if the principal amount of the relevant Mortgage Loan together with the aggregate principal outstanding amount of all other Mortgage Loans secured on the same Mortgaged Asset did not exceed 40% of the value of the Mortgaged Asset (calculated on the basis of an assessment by the Dutch tax authorities on the basis of the Act on Valuation of Real Property ("*Wet Waardering Onroerende Zaken*" or "WOZ")., (ii) for Further Advances relating to existing property where the lender of record is ABN AMRO, if the principal amount of the Further Advance together with the aggregate principal outstanding amount of all other Mortgage Receivables secured on the same Mortgaged Asset did not exceed 100% of the value of the Mortgaged Asset (calculated on the basis of assessment by the Dutch tax authorities on the basis of the WOZ), (iii) if the property was to be built yet and formed part of a building project or was to be built by a contractor and not by the Borrower, (iv) if a valuation report by an independent qualified valuer which is not older than six months was available and (v) for Further Advances if a valuation report by an independent qualified valuer which is not older than 1,5 year was available.

All appraisal reports must be validated by a certified validation-institute (p.e. NWWI), be less than six months old, include six recent photographs of the property and contain the following information:

- (a) Market value - the current price that the dwelling could command if offered on the housing market.
- (b) Value under foreclosure - value of the property under a compulsory sale if the borrower cannot fulfil his/ her mortgage obligations; this value tends to be approximately 75-90% of the market value.
- (c) Reconstruction value - chiefly relevant for homeowner's insurance, this figure is based on the value and the type of property in the event of its destruction.



- (d) If immediate maintenance work is required, the appraisal should include an estimate of the costs and indicate if the costs will exceed 10% of the market value.

Since 2011 a new standardised model for appraisal report has been implemented in The Netherlands to ensure consistency across all valuations. It is used for appraisals conducted by real estate agents and valuation agencies.

#### *Acceptance and Pre-Funding Controls*

The branches and intermediaries have read-only access to the central mortgage administration. Upon acceptance of a mortgage by a borrower the front/mid offices check the information against the customer file and give their final approval. The borrower then receives a draft of the mortgage deed and is able to check the mortgage conditions. The money together with the definite terms of the mortgage deed are sent to the civil law notary. The civil law notary can only deliver the money to the borrower after the mortgage deed is duly signed.

#### *Insurance*

The borrower is required to take out an insurance in respect of the property against risk of fire and other accidental damage for the full restitution of the value thereof. Most well established insurance companies in The Netherlands are accepted. In addition, after the final acceptance of the mortgage loan, information for the civil law notary is automatically generated and sent out.

#### *Security*

Each mortgage loan is secured in general by a first priority right of mortgage in the form of a notarial deed, which is duly registered with the Property Register at the Land Registry ("*Kadaster*"). When a mortgage deed is first presented for registration an entry to this effect is made to the Property Register. This entry establishes priority over any subsequent claims, encumbrances and attachments, in respect of the relevant property. All the original deeds are stored by the civil law notary and are registered with the Land Registry.

#### **Servicing**

In addition to its corporate support departments, the Sellers have two major units involved in servicing of mortgage loans: the middle office and the back office. The notary department can be part of the middle office or the back office. The middle office deals with all activities that lead to the granting of mortgage loans, the notary department handles documentation and money transfer through the notary, while the back office is responsible for the technical management of the portfolio, collection of payments, standard accounting routines and initiating procedures for arrears management.

#### *ABN AMRO Bank N.V.*

ABN AMRO Bank N.V. uses the generic backup server TSM (Tivoli Storage Manager) for the mainframe. The back-up is incremental (new and/or changed files). Three data file versions are saved (one active, two earlier date versions). The active version will be saved indefinitely, the others for a maximum of thirty (30) days. A back-up of the mortgage administration system 'NINJA' is made every last workday of the month and at the end of the year a year back-up is made. All data is back-upped in Woerden and mirrored in Utrecht, the housekeeping of TSM tapes the most recent data. These tapes are stored in the tape library in Woerden. Networks and personal computers are provided with back-up in the same way. In case of calamity the complete generic server can be moved to the fallback environment in Utrecht, in accordance with the service level agreement.

#### *Direktbank N.V. acting as ASR Woninghypotheeken*

The middle office activities (including notary department) in respect of the mortgage loans are outsourced to ASR Nederland N.V. and the back office activities to ABN AMRO Bank N.V. It has a mainframe production environment in Utrecht. Backups are made on a daily basis for local recovery purposes. In addition, all production data in Utrecht are mirrored at ABN AMRO in Woerden.

The notary department will be outsourced to ABN AMRO Bank N.V. Also, the mortgage administration system will be transferred to the systems of ABN AMRO Bank N.V.

#### *Direktbank N.V.*

Direktbank N.V. performs the middle office activities in respect of the mortgage loans itself and has outsourced its notary department and back office activities to ABN AMRO Bank N.V.

Direktbank N.V. uses the generic backup server TSM (Tivoli Storage Manager) for all its production servers in Woerden. Daily back-ups are incremental (new and/or changed files are updated). Three data file versions are saved (one active and two versions with an earlier date). When a file is modified a new version is backed up. The active version will be saved indefinitely, inactive files for a maximum of thirty (30) days. Deleted files are marked as expired and will be saved for sixty (60) days after which they are removed from TMS. TMS backups are saved for three (3) weeks. All data in Woerden is mirrored in Utrecht. In case of a calamity complete generic servers can be moved to the fallback environment in Utrecht, in accordance with the service level agreement.

#### *Quion 9 B.V. and Oosteroever Hypotheken B.V.*

Quion 9 B.V. and Oosteroever Hypotheken B.V. have outsourced the middle office, notary department and back office activities to Quion Groep B.V. and its subsidiaries Quion Hypotheekbegeleiding B.V., Quion Services B.V. and Quion Hypotheekbemiddeling B.V. See *Quion Groep B.V.* below.

The central backup system used by Quion Groep B.V. and its subsidiaries generates a daily automatic back up of the IT systems HYPOS, QLAS, HYPAS and the central file servers. 3 times a day a backup is made of all the file servers, while at night a complete database server backup is generated. The backup tapes are stored internal and at an external secure location. Furthermore, weekly, monthly and annual backup tapes are also stored at an external secure location. An emergency plan is in place that enables all the applications to run at a location in Lelystad in the Getronics Business Continuity Centre (GBC). In case of a calamitous event, Quion Groep B.V. will relocate 10 key staff members to the GBC. In this way all servicing and administration activities can be fully operational at the GBC within four (4) business days. This procedure is tested annually. Quion Hypotheekbemiddeling B.V., Quion Hypotheekbegeleiding B.V. and Quion Services B.V. have established a software depot foundation (escrow) to guarantee servicer continuity. If Quion Hypotheekbemiddeling B.V., Quion Hypotheekbegeleiding B.V. or Quion Services B.V. ceases to exist, Quion 9 B.V. and Oosteroever Hypotheken B.V. have the right to continue to use the IT systems and data files and the right to access the software source code. All mortgage loan information is stored and operated using HYPAS.

#### *Payment Processing*

The mortgage administration system generates customer statements and monitors monthly payments. Approximately 99% of all payments are received by direct debit, a fully automated collection from the customer's account regardless of whether it is domiciled with ABN AMRO Bank or held at another institution. On a monthly basis the amounts due under the mortgage loans will be debited from the Borrower's bank account. If there are insufficient funds credited to this bank account, the direct debit procedure will be repeated a few (2-3) times. Should payment by direct debit continue to prove impossible, an automatic reminder will be sent to the Borrower twenty-one (21) days after the due date for payment. If the Borrower still fails to pay the amount due, another letter will be sent fourteen (14) days after the first reminder. The file will then be passed on to the arrears management department of the relevant Seller as further described below. The remaining 1 % of accounts use self payments in which the customer must initiate a formal payment request to transfer funds to the mortgage payment account. The term of payment is monthly in arrears.

#### *Arrears management*

Arrears management is performed via an automated process. On a daily basis, the system checks on payments received and signals missed payments, following which the delinquency process starts. The risk of the specific loan is being determined and one of three treatment paths is assigned (Low/Mid/High treatment intensity). In all paths, an immediate reminder is generated and sent to the customer. Depending on the calculated risk, treatment will be more intense. If an arrangement is made with the customer it is recorded and monitored. In addition to the generated reminder letters in each path, with respect to the ABN AMRO Bank mortgage loans, ABN AMRO F&C Credit Services contacts delinquent customers to reach arrangements. Foreclosure procedures will commence at the latest 90 days from the moment on which payments under the relevant Mortgage Loan are due but remain unpaid. This process is carried out by either Solveon Incasso B.V (for mortgages originated by ABN

*AMRO Bank N.V. and its legal predecessor Fortis Bank (Nederland) N.V.*, HypoCasso B.V. (for mortgages originated by Direktbank N.V.) or Quion Groep B.V. (and/or its relevant subsidiaries) (for mortgages originated by Quion 9 B.V. and Oosteroever Hypotheken B.V.). If Borrowers fail to pay any amount due under a mortgage loan, the following arrears management procedure will apply:

*ABN AMRO Bank N.V.*

- if payment has not been received within eight (8) days after the due date for payment, and if settlement from other accounts of the Borrower is not possible, a further reminder will be sent to the client;
- the account manager tries to contact the Borrower by phone. If this is not possible, a letter of demand will be sent;
- if payment has not been received four (4) months after the due date for payment, any guarantors will be notified accordingly;
- if payment has still not been received seven (7) months after the due date for payment-and no suitable solution has been found, foreclosure proceedings will be commenced in respect of the mortgage right;

*Direktbank N.V. acting as ASR Woninghypotheken.*

- if payment has not been received within fifty-four (54) days of the due date for payment, a first reminder will be sent by the arrears management department;
- if payment has not been received within eighty-four (84) days after the due date for payment, a second reminder will be sent;
- if payment has not been received four (4) months after the due date for payment, any guarantors (including NHG) will be notified accordingly;
- if payment has still not been received seven (7) months, in case of NHG guaranteed mortgage loans, or one hundred and fourteen (114) days in other cases, after the due date, and no suitable solution has been found, foreclosure proceedings will be commenced in respect of the mortgage right;

*Direktbank N.V.*

- if payment has not been received within twenty-one (21) days of the due date for payment, a first reminder will be sent by the arrears management department;
- if payment has not been received within thirty-five (35) days after the due date for payment, a second reminder will be sent;
- the Account manager-tries to contact the Borrower by phone. If this is not possible, a letter of demand will be sent;
- if payment has not been received four (4) months after the due date for payment, any guarantors will be notified accordingly;
- if payment has still not been received seven (7) months after the due date for payment-and no suitable solution has been found, foreclosure proceedings will be commenced in respect of the mortgage right.

During the period in which arrears build up, efforts (including personal visits to the Borrower) are always made to find a solution acceptable to both the Borrower and the relevant Seller.

*Quion 9 B.V. and Oosteroever Hypotheken B.V.*

- if payment is two (2) days overdue, a first reminder will be sent to the Borrower. Further reminders will follow on a weekly basis;
- if payment is twenty six (26) days overdue, the possibility of an attachment on salary income will be considered;
- if payment is thirty four (34) days overdue and the Borrower has shown to be unable or unwilling to live up to its obligations, the case will be forwarded to a bailiff;
- if payment is fifty-two (52) days overdue, the WEW will be informed in case of a NHG guaranteed mortgage loan;
- if payment is fifty-seven (57) days overdue, the arrears department will organise a field visit to the borrower;
- if payment is sixty-seven (67) days overdue, the borrower will be offered three options: payment in full, private sale of the mortgaged asset or sale by auction of the mortgaged

- asset;
- if payment is seventy-two (72) days overdue, a valuation of the mortgaged asset will be ordered;
- if payment is eighty-two (82) days overdue, the servicer will send a letter demanding payment of the full amount;
- if payment has not been received four (4) months after the due date for payment, any guarantors will be notified accordingly;
- if payment has not been received seven (7) months after the due date for payment and no suitable solution has been found, foreclosure proceedings will be commenced in respect of the mortgage right by the collection department of the servicer after having obtained approval by Direktbank N.V.

#### Auctions

Enforcement of the mortgage right by means of a sale at public auction will be used only as a last resort.

#### *Quion Groep B.V.*

Quion Groep B.V., whose registered office is in Rotterdam, is an independent mortgage servicer, focused on the total coordination of mortgages for third parties. Quion Groep B.V. offers a full range of mortgage servicing activities to financial institutions, from origination and monthly collections, to arrears and foreclosure management of the mortgage loan portfolios.

In 1993, Quion Groep B.V. (then named Hypotrust B.V.) was founded to meet the demand by financial institutions for an efficient way to invest directly in the Dutch mortgage market. In Quion Groep B.V.'s generic funding model a group of different mortgage lenders offers identical mortgage products under standardised conditions. The mortgage lenders compete with each other on the interest rate offered to the borrower. Quion Groep B.V. matches the borrower with the mortgage lender offering the lowest interest rate, acting as a mediator. The mortgage loans are distributed through a network of 1,750 independent intermediaries and insurance companies.

The IT systems of Quion Groep B.V. and software are developed externally and are easily adapted to new products and clients' wishes. Quion Groep B.V. identifies specific mortgage pools based on underwriting criteria and provides detailed portfolio data for investor reporting in securitisation transactions. To ensure services continuity, Quion Groep B.V. has set up a mechanism to safeguard its software, giving the mortgage lenders the ability to obtain software licenses with respect to software systems owned and designed by Quion Groep B.V., including data in the event that Quion Groep B.V. discontinues its operations. Quion Groep B.V. employs special fraud officers and has developed a fraud policy based on its extensive experience in the mortgage industry. Quion Groep B.V.'s pro-active approach to delinquencies minimises losses caused by delinquencies and fraud.

Quion presently services over 147,000 mortgages, a portfolio of about EUR 25 billion.

Quion Hypotheekbegeleiding B.V., Quion Hypotheekbemiddeling B.V. and Quion Services B.V. are wholly-owned subsidiaries of Quion Groep B.V. By means of her subsidiaries Quion Groep B.V. is an independent mortgage servicer that offers a full range of mortgage servicing activities to financial institutions. Its activities range from origination and monthly collections to arrears and foreclosure management of mortgage loan portfolios.

## 6.3 Dutch residential mortgage market

Compared to other mortgage markets in Europe, the Dutch residential mortgage market is typified by a wide range of mortgage loan products. The latter has recently been questioned by consumer organisations. In their view margins have become too high due to government interference. Banks who received government support were restricted in the sense that they are not allowed to be a price leader. The Dutch competition authority concluded that this was not the case.<sup>2</sup> Furthermore, historic practices, culture and most importantly tax legislation (especially those pertaining to the deductibility of mortgage interest) have shaped the Dutch residential mortgage market in quite a unique way.

Dutch mortgage loans predominantly carry fixed rates of interest that are typically set for a period of between 5 and 10 years. The historically low mortgage loan interest rates in the last decade provided an incentive for households to refinance their mortgage loans with a long-term fixed interest rate (up to as much as 30 years, which gives people almost life-long certainty).<sup>3</sup> For this reason Dutch mortgage borrowers are relatively well-insulated against interest rate fluctuations.<sup>4</sup>

Even though Dutch house prices have declined since 2008, the principal amount outstanding of Dutch mortgage loans has continued to increase until the second quarter of 2011. Since then the aggregate outstanding mortgage debt of Dutch households is stabilising (Chart 1)<sup>5</sup>. The Dutch mortgage market is still supported by a gradual increase in the levels of owner-occupation and an environment of low mortgage loan interest rates.

In the period prior to the credit crisis increased competition and deregulation of the Dutch financial markets resulted in the development of tailor-made mortgage loans consisting of different loan parts and features, including mortgage loans involving investment risks for borrowers. The relatively risky mortgage loan products have since the start of the credit crisis in 2007 lost their attraction and are nowadays no longer provided.<sup>6</sup>

### Tax deductibility and regulation

The mortgage loan products offered by lenders reflect the tax deductibility of mortgage loan interest (which was deductible in full until 2001, see next paragraph) and enable borrowers to defer repayment of principal so as to have maximum tax deductibility. This is evidenced by relatively high loan to foreclosure values and the extensive use of interest-only mortgage loans (which need only be redeemed at maturity). For borrowers wanting to reduce their mortgage loan exposure without losing tax deductibility, alternative products such as 'bank saving mortgage loans' were introduced. The main feature of a bank savings mortgage loan is that the borrower opens a deposit account which accrues interest at the same interest rate that the borrower pays on the associated mortgage loan. At maturity, the bank savings are used to redeem the mortgage loan.

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

On top of the limitations that came into force in 2001, tax deductibility of mortgage loan interest payments has been further restricted as from 1 January 2004 for borrowers that relocate to a new house and refinance their mortgage loan. Under the new tax regulation (*Bijleenregeling*), tax deductibility in respect of interest on the mortgage loan pertaining to the new house is available only for that part of the mortgage loan that equals the purchase price of the new house less the realised net

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<sup>2</sup> NMA, Sectorstudie Hypotheekmarkt, 30 May 2011

<sup>3</sup> Dutch Central Bank, statistiek, statistieken DNB, financiële markten, rentes, T1.2.2 (31 October 2012)

<sup>4</sup> Maarten van der Molen en Hans Stegeman, 2011, De ongekende stabiliteit van de Nederlandse woningmarkt, 7 May 2011

<sup>5</sup> Dutch Central Bank, statistiek, statistieken DNB, huishoudens T11.1 (31 October 2012)

<sup>6</sup> Boonstra and Treur (2012) "Reactie op: Hollands hoge hypotheekrentes" ESB, 12 October 2012

profit on the old house.

Since 1 August 2011, the requirements for mortgage lending have been tightened by the Financial Markets Authority (AFM) leading to a revised Code of Conduct for Mortgage Lending (*Gedragscode Hypothecaire Financieringen*), to limit the risks of over-crediting. Under those tightened requirements, the principal amount of a mortgage loan may not exceed 104% of the market value of the mortgaged property plus transfer tax. In addition, only a maximum of 50% of the market value of the mortgaged property may be financed by way of an interest-only mortgage loan. In addition, the revised Code of Conduct provides less leeway for exceptions using the 'explain' clause.<sup>7</sup> Consequence is that banks are less willing to deviate from the rules set by the revised Code of Conduct. This will make it more difficult for especially first-time buyers to raise financing as they used to be overrepresented as borrowers of mortgage loans subject to an explain clause. In practice, expected income rises of first-time buyers were frequently included, which lead to additional borrowing capacity.<sup>8</sup>

### Recent changes in regulation

On 26 April 2012, five political parties agreed on an austerity package to reduce the Dutch budget deficit to less than 3% in 2013. As part of the agreement (referred to as the Spring Agreement), from 1 January 2013 interest on new mortgage loans will only qualify for tax deductibility if the relevant borrower redeems his mortgage loan on an amortisation basis or faster. Furthermore, the maximum loan-to-value (mortgage loan versus the market value of the house) will be gradually lowered to 100%. The transfer tax that was already temporarily lowered from 6% to 2% on 1 July 2011 with effect from 15 June 2011, will remain at 2%.<sup>9</sup> In the coalition agreement that was agreed after the elections in September 2012 the proposals contained in the Spring Agreement were broadly retained. However, certain additional measures are proposed in the coalition agreement, such as the lowering of the income tax rate which may be used for mortgage tax deductibility from 52% to 38% over 28 years, so a 0.5 per cent reduction per year. In addition, interest paid on any outstanding debt from a mortgage loan remaining after the sale of a home could be deducted for up to five years. This measure will be in place from 2013 up to and including 2017. Both the Spring Agreement and coalition agreement are not incorporated into legislation yet. It is likely that the impact on the house price level will be negative<sup>10</sup>, but the extent is uncertain and depends amongst other things on the overall confidence level and the real disposable income development.

### Recent trend in house prices and transactions<sup>11</sup>

The Dutch residential property market is still not showing any signs of recovery. In the third quarter of 2012 the average house price fell by 8.0% as compared to the same period last year (Chart 2). A lack of confidence among house buyers has sapped momentum from the market. From peak-to-trough the price decline amounts to 15.6% (Chart 3). Residential property sales went down in the third quarter and still fluctuate at a low level. On a twelve-month basis, the number of transactions amounts to 113,637 which is around 45% lower than pre-crisis (Chart 4).<sup>12</sup>

### Foreclosures

The number of arrears and involuntary sales of residential property by public auction ("forced sale") in the Netherlands is traditionally very low compared to international standards.<sup>13</sup> Especially in the second half of the 1990s, when the demand for residential property was exceptionally strong, house sales by auction, even in the event 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 2001, the total number of foreclosures was therefore limited compared to the number of owner-occupied houses.<sup>14</sup>

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<sup>7</sup> Under the "explain" clause it is in exceptional cases possible to deviate from the loan-to-income and loan-to-value rules set forth in the Code of Conduct

<sup>8</sup> M.T. van der Molen, 2012, Aanschaffen woning is makkelijker, January 2012

<sup>9</sup> Rijksoverheid, 2012, Stabiliteitsprogramma Nederland, april 2012 actualisatie

<sup>10</sup> CPB, 2012, Analyse economische effecten financieel kader Regeerakkoord, 29 October 2012

<sup>11</sup> Rabobank Economic Research Department - Dutch Housing Market Quarterly August 2012

<sup>12</sup> Statistics Netherlands, cijfers, cijfers per thema, bouwen en wonen, verkochte woningen (31 October 2012)

<sup>13</sup> Comparision of S&P 90+ day delinquency data,

<sup>14</sup> Kadaster and CBS, cijfers, cijfers per thema, bouwen en wonen, verkochte woningen (31 October 2012)

The relatively prolonged economic downturn from 2001 to 2005 led to a significant rise in the amount of mortgage loan 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 2,000 forced sales from 2005 onwards. This increase was mainly the result of a structural change in the Dutch mortgage loan market during the nineties: instead of selling single income mortgage loans only, lenders extended mortgage loans whereby affordability criteria were applied to double-income households. The subsequent credit crisis and the related upswing in unemployment led to a rise of the number of forced sales. The Land Registry (*Kadaster*) recorded 2,811 forced sales in 2011. In the third quarter of 2012 the number of foreclosures amounted to 520, compared to 432 in the same period in 2011 (Chart 5). Recent research confirms that the number of households in payment difficulties in the Netherlands is low from an international perspective and that problems mainly have 'external' causes such as divorce or unemployment as opposed to excessively high mortgage debt.<sup>15</sup>

The proportion of forced sales is of such size that it is unlikely to have a significant impact on house prices. The Dutch housing market is characterised by a large discrepancy between demand and supply, which mitigates the negative effect of the economic recession on house prices. In the unforeseen case that the number of foreclosures were to increase significantly, this could have a negative effect on house prices. Decreasing house prices could in turn increase loss levels should a borrower default on his mortgage loan payment obligations.

Even though in a relative sense the increase over the last years is substantial, the absolute number of forced<sup>16</sup> sales is obviously still 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<sup>17</sup> and the current average mortgage loan principal amount it is estimated that the total number of residential mortgage loans outstanding in the Netherlands exceeds 3 million. A total of approximately 2,500 foreclosures per year since 2005 therefore corresponds to approximately 0.1% of the total number of residential mortgage loans outstanding.

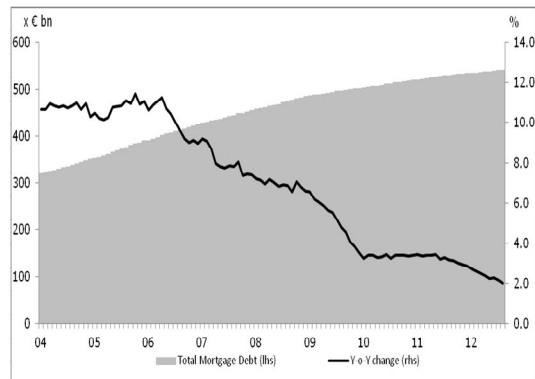
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<sup>15</sup> Standard & Poor's, 2010, Mortgage lending business supports some European banking systems

<sup>16</sup> Kadaster

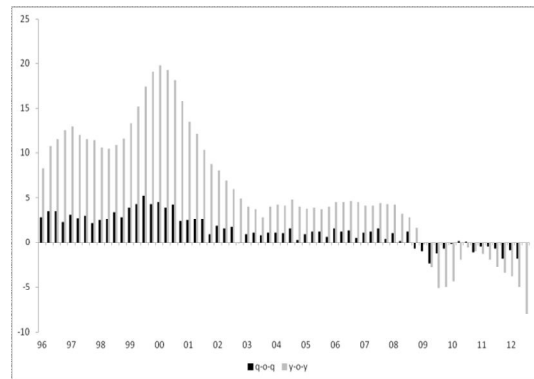
<sup>17</sup> Dutch Central Bank, statistiek, statistieken DNB, huishoudens T11.1 (31 October 2012)

Chart 1: Total mortgage debt



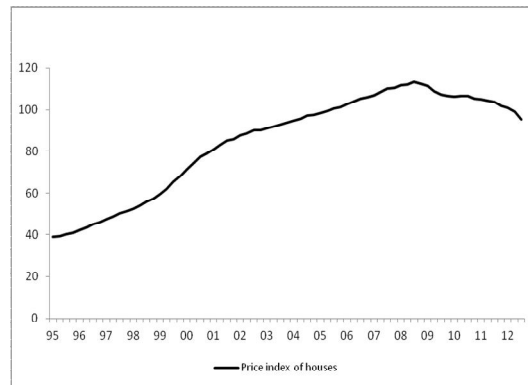
Source: DNB

Chart 2: Dutch property price development



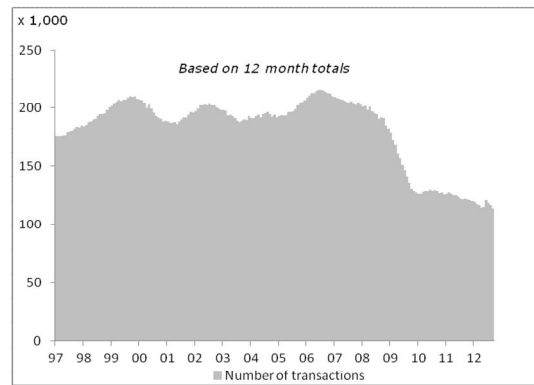
Source: NVM

Chart 3: Development house price index



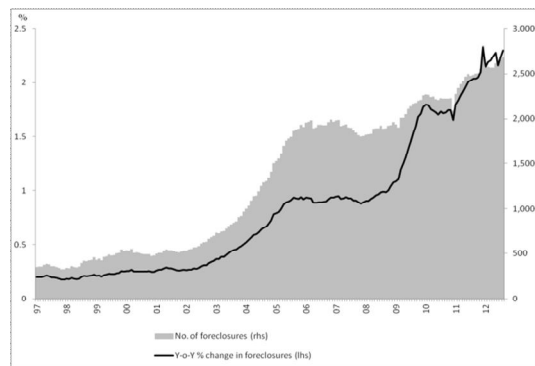
Source: Statistics Netherlands/State Registry

Chart 4: Number of house sale transactions



Source: Land Registry

Chart 5: Number of foreclosures



Source: Land Registry



## **7. PORTFOLIO DOCUMENTATION**

### **7.1 Purchase, repurchase and sale**

Each Seller and the Asset Purchaser have entered into an Asset Purchaser Mortgage Receivables Purchase Agreement. Under the Asset Purchaser Mortgage Receivables Purchase Agreement on each Mortgage Purchase Date the relevant Seller (i) may sell Relevant New Mortgage Receivables and the Beneficiary Rights relating thereto, to the Asset Purchaser and (ii) will sell all Relevant Further Advance Receivables relating to Further Advances granted by this Seller in the preceding Mortgage Calculation Period and the Beneficiary Rights relating thereto to the Asset Purchaser, subject to certain conditions. The sale and assignment of the Relevant Mortgage Receivables will be effectuated by the relevant Seller and the Asset Purchaser signing a Deed of Sale, Assignment and Pledge and by registering such deed. In addition, pursuant to the Asset Purchaser Mortgage Receivables Purchase Agreement, each of ABN AMRO Bank N.V. and Direktbank N.V. will be obliged to assign on each Monthly Payment Date any and all claims of the relevant Seller under Revolving Credit Mortgage Loans to the extent not previously assigned. This monthly (sale and) assignment of the Revolving Credit Mortgage Receivables will be effectuated by the relevant Seller and the Asset Purchaser signing a Deed of Sale, Assignment and Pledge with a list of all Revolving Credit Mortgage Loan attached to it and by registering such deed. The assignment of the Relevant Mortgage Receivables from the relevant Seller to the Asset Purchaser will not be notified to the Borrowers, except in case of the occurrence of Asset Purchaser Assignment Notification Events. Until such notification the Borrowers will only be entitled to validly pay ("*bevrijdend betalen*") to the relevant Seller. The Asset Purchaser will be entitled to all proceeds in respect of the Mortgage Receivables as of the relevant Mortgage Purchase Date.

#### **Purchase Price**

The purchase price for New Mortgage Receivables and Further Advance Receivables shall consist of an Initial Purchase Price, which shall be payable on the relevant Mortgage Purchase Date and the sum of all relevant Deferred Purchase Price Instalments. The Initial Purchase Price is equal to the aggregate Outstanding Principal Amount in respect of the New Mortgage Receivables and/or Further Advance Receivables on the agreed Cut-off Date. A part of the relevant Initial Purchase Price equal to the aggregate Asset Purchaser Construction Deposits as indicated in the Applicable Final Terms will be withheld by the Asset Purchaser and will be credited to the Asset Purchaser Construction Deposit Account. The relevant Deferred Purchase Price shall be equal to the sum of all relevant Deferred Purchase Price Instalments and each relevant Deferred Purchase Price Instalment on any relevant Notes Payment Date will be equal to, after application of the relevant available amount in accordance with the relevant Priority of Payments, any amount remaining after all items ranking higher than the item relating to the Deferred Purchase Price has been satisfied.

#### **Purchase of New Mortgage Receivables and Further Advance Receivables**

Under the Asset Purchaser Mortgage Receivables Purchase Agreement the relevant Seller will be entitled to sell and assign and the Asset Purchaser will purchase and accept assignment of Relevant New Mortgage Receivables and, to the extent legally possible, the Beneficiary Rights relating hereto on each Mortgage Purchase Date up to the Asset Purchaser Purchase Available Amount.

The Asset Purchaser Purchase Available Amount shall (i) on any Mortgage Collection Payment Date be equal to the Asset Purchaser Purchase Netting Available Amount and (ii) on any Monthly Payment Date an amount equal to the Asset Purchaser Available Principal Funds less the Asset Purchaser Pass-through Payable Amount on such Monthly Payment Date.

The Asset Purchaser Mortgage Receivables Purchase Agreement provides that on each Mortgage Purchase Date, the relevant Seller will sell and assign, and the Asset Purchaser will purchase and accept assignment of all Relevant Further Advance Receivables relating to Further Advances granted by such Seller in the preceding Mortgage Calculation Period (if not previously sold and assigned) and, to the extent legally possible, the Beneficiary Rights relating thereto, up to the Asset Purchaser Purchase Available Amount.

#### **Asset Purchaser Assignment Notification Events**

If:

- (a) a default is made by any Seller in the payment on the due date of any amount due and payable by it under the Asset Purchaser Mortgage Receivables Purchase Agreement or under any Transaction Document to which it is a party and, if capable of being remedied, such failure is not remedied within ten (10) Business Days after notice thereof has been given by the Asset Purchaser or the Security Trustee to the relevant Seller; or
- (b) any Seller fails duly to perform or comply with any of its obligations under the Asset Purchaser Mortgage Receivables Purchase Agreement or under any other Transaction Document to which it is a party and if such failure, capable of being remedied, is not remedied within ten (10) Business Days after having knowledge of such failure or notice thereof has been given by the Asset Purchaser or the Security Trustee to the relevant Seller; or
- (c) any representation, warranty or statement made or deemed to be made by any Seller in the Asset Purchaser Mortgage Receivables Purchase Agreement, other than the representations and warranties made in respect of the Relevant Mortgage Loans and the Relevant Mortgage Receivables (which the relevant Seller consequently repurchases), or under any of the other Transaction Documents to which it is a party or if any notice or other document, certificate or statement delivered by it pursuant hereto proves to have been, and continues to be after the expiration of any applicable grace period provided for in any Transaction Document, untrue or incorrect in any material respect; or
- (d) any Seller takes any corporate action or other steps are taken or legal proceedings are started or threatened against it for its dissolution ("*ontbinding*") and liquidation ("*vereffening*") involving the relevant Seller or any of its assets are placed under administration ("*onder bewind gesteld*"); or
- (e) any Seller has taken any corporate action or any steps have been taken or legal proceedings have been instituted against it for its entering into emergency regulations ("*noodregeling*") as referred to in Chapter 3 of the Wft, or for bankruptcy ("*faillissement*") or suspension of payments ("*surseance van betaling*") or for any analogous insolvency proceedings under any applicable law or for the appointment of a receiver or a similar officer of it or of any or all of its assets; or
- (f) at any time it becomes unlawful for any Seller to perform all or a material part of its obligations hereunder or under any Transaction Document to which it is a party; or
- (g) any Seller has given materially incorrect information or not given material information which was essential for the Asset Purchaser and the Security Trustee in connection with the entering into the Asset Purchaser Mortgage Receivables Purchase Agreement and/or any of the Transaction Documents; or
- (h) an Asset Purchaser Pledge Notification Event occurs; or
- (i) any Seller (other than ABN AMRO Bank N.V.) is no longer a direct or indirect subsidiary of ABN AMRO Bank N.V. within the meaning of article 2:24 a Dutch Civil Code; or
- (j) ABN AMRO Bank N.V. has given notice of its intention to withdraw or has withdrawn ("*ingetrokken*") the ABN AMRO Bank 403-Declaration in respect of any Seller (other than ABN AMRO Bank N.V.) within the meaning of article 2:404(1) of the Dutch Civil Code; or
- (k) the credit rating of ABN AMRO Bank N.V.'s long term unsecured, unsubordinated and unguaranteed debt obligations falls below BBB- by S&P or such rating is withdrawn;
- (l) the credit rating of ABN AMRO Bank N.V.'s long term unsecured, unsubordinated and unguaranteed debt obligations falls below Baa3 by Moody's or such rating is withdrawn;
- (m) the credit rating of ABN AMRO Bank N.V.'s long term unsecured, unsubordinated and unguaranteed debt obligations falls below BBB (low) by DBRS or such rating is withdrawn;

then

- (i) the Seller or Sellers to which the Asset Purchaser Assignment Notification Event relates shall, unless the Security Trustee instructs the relevant Seller otherwise, forthwith notify or ensure that the relevant Borrowers and any other relevant parties indicated by the Asset Purchaser and/or the Security Trustee are forthwith notified of the assignment of the Mortgage Receivables or, at its option, the Asset Purchaser and/or the Security Trustee shall be entitled to make such notifications itself; and

- (ii) in respect of Revolving Credit Mortgage Receivables, the relevant Seller shall, at its option, either:
  - (a) undertake to use its best efforts to terminate the related revolving credit facility agreement in respect of the Available Credit Facility, in order to effectuate that the Available Credit Facility is cancelled and any amount prepaid or repaid may not be redrawn and at the same time the Seller shall offer, at its own cost, a new revolving credit facility agreement to the Borrower but only for an amount equal to the Available Credit Facility of the terminated facility increased with any repayments and prepayments, if any; or
  - (b) repurchase and accept reassignment of the relevant Revolving Credit Mortgage Receivables within sixty (60) days of the occurrence of the relevant Notification Event.

In addition, pursuant to the Asset Purchaser Beneficiary Waiver Agreement (i) the relevant Seller, subject to the condition precedent of the occurrence of an Asset Purchaser Assignment Notification Event, waives its right as beneficiary under the Insurance Policies entered into with any of the Insurance Savings Participants (not being the Sellers) and appoints as first beneficiary (x) the Asset Purchaser subject to the dissolving condition of the occurrence of an Asset Purchaser Pledge Notification Event and (y) the Security Trustee under the condition precedent of the occurrence of an Asset Purchaser Pledge Notification Event relating to the Asset Purchaser and, if and to the extent such waiver and appointment are not effective, each Seller and the Insurance Savings Participants (other than the Sellers) shall use their best efforts to achieve this result. Furthermore, pursuant to the Asset Purchaser Beneficiary Waiver Agreement, upon the occurrence of an Asset Purchaser Assignment Notification Event, the relevant Seller shall (a) use its best efforts to obtain the co-operation from the relevant Insurance Companies, other than the Insurance Savings Participants (other than the Sellers), and all other relevant parties to appoint as first beneficiary under the Insurance Policies (to the extent such rights have not been waived) (x) the Asset Purchaser under the dissolving condition of the occurrence of an Asset Purchaser Pledge Notification Event and (y) the Security Trustee under the condition precedent of the occurrence of an Asset Purchaser Pledge Notification Event and (b) with respect to Insurance Policies where a Borrower Insurance Proceeds Instruction has been given use their best effort to change the payment instruction in favour of the relevant Seller into such instruction in favour of (x) the Asset Purchaser under the dissolving condition of the occurrence of an Asset Purchaser Pledge Notification Event and (y) the Security Trustee under the condition precedent of the occurrence of an Asset Purchaser Pledge Notification Event.

If the credit rating of ABN AMRO Bank N.V.'s long term unsecured, unsubordinated and unguaranteed debt obligations falls below BBB (or BBB+ if the unsecured, unsubordinated and unguaranteed debt obligations do not have a short term rating of at least A-2) by S&P or such rating is withdrawn, the obligation to partially terminate or repurchase the Revolving Credit Mortgage Loans set out above under (ii) also applies.

### **Repurchase**

Under the Asset Purchaser Mortgage Receivables Purchase Agreement each relevant Seller will be obliged to repurchase and accept re-assignment of a Relevant Mortgage Receivable:

- (a) if any of the representations and warranties given by the relevant Seller in respect of such Relevant Mortgage Receivables or the relevant Mortgage Loan is untrue or incorrect, and the relevant Seller has not within fourteen (14) days of receipt of written notice thereof from the Asset Purchaser or the Security Trustee remedied the matter or if such matter is not capable of being remedied, on the Mortgage Collection Payment Date on or immediately following the day on which the remedy period ends, or on the Monthly Payment Date following such Mortgage Collection Payment Date;
- (b) if the relevant Seller agrees with a Borrower to a Mortgage Loan Amendment, on the Mortgage Collection Payment Date on or immediately following the day on which such agreement is made, or on the Monthly Payment Date following such Mortgage Collection Payment Date;
- (c) if the relevant Seller agrees with a Borrower to grant a Further Advance and the relevant Further Advance Receivable is not purchased by the Asset Purchaser on or before the

- Mortgage Collection Payment Date immediately succeeding such Mortgage Calculation Period, on the Monthly Payment Date following such Mortgage Collection Payment Date;
- (d) if, in the case of a Hybrid Mortgage Loan, the relevant Seller agrees to a Policy Switch and the Insurance Savings Participation by the relevant Insurance Savings Participant in the relevant Hybrid Mortgage Loan has not terminated on the Mortgage Collection Payment Date immediately following the date on which the relevant Seller has agreed to such Policy Switch, on the Mortgage Collection Payment Date following such Policy Switch, or on the Monthly Payment Date following such Mortgage Collection Payment Date; and
  - (e) in respect of a Mortgage Receivable relating to a Mortgage Loan originated by Quion 9 B.V. only, if (i) the Borrower decides to accept the interest rate offered by another lender and such lender prefers to take over the existing Relevant Mortgage Loan rather than granting a new mortgage loan to such Borrower, on the Mortgage Collection Payment Date following such interest rate reset date of such Mortgage Loan, (ii) the relevant Seller refuses to amend the terms of the Relevant Mortgage Loan upon the request of a Borrower and another lender prefers to take over the existing Relevant Mortgage Loan rather than granting a new mortgage loan to such Borrower, on the Mortgage Collection Payment Date immediately following such refusal and (iii) in a Mortgage Calculation Period a further advance under the Relevant Mortgage Loan is granted by another lender, on the Mortgage Collection Payment Date immediately following such Mortgage Calculation Period.

The purchase price in case of a repurchase by the relevant Seller of Mortgage Receivables in any of the events described above, will be equal to the Outstanding Principal Amount of the Relevant Mortgage Receivable together with interest and reasonable costs relating thereto (including any costs incurred by the Asset Purchaser in effecting and completing such purchase and assignment) accrued up to but excluding the date of purchase and assignment of the Relevant Mortgage Receivable. However, in the event of a repurchase as a result of the occurrence of a Mortgage Loan Amendment, the purchase price shall be equal to the Outstanding Principal Amount of the Relevant Mortgage Receivable, as described above, except that with respect to Defaulted Mortgage Receivables, the purchase price shall be at least the lesser of (i) an amount equal to the Foreclosure Value of the Mortgaged Assets or, if no valuation report of less than twelve (12) months old is available, the Indexed Foreclosure Value, and (ii) the sum of the Outstanding Principal Amount together with accrued interest due but not paid, if any, and any other amounts due under the Defaulted Mortgage Receivable.

#### **Sale of Mortgage Receivables**

Under the terms of the Asset Purchaser Trust Agreement, the Asset Purchaser will have the right to sell and assign all or part of the Mortgage Receivables on a Notes Payment Date, provided that the Asset Purchaser shall apply the proceeds of such sale (i) to repay principal that is due under the IC Loans or (ii) to repay principal that is not due under the IC Loans, but in respect of which the Asset Purchaser has a best efforts obligation to repay certain amounts in order to enable the Issuer to redeem a Series and Class, or Sub-class, of Notes or all Notes in certain events. See Section 5.7 (*IC Loan Agreements*). Furthermore, under the terms of the Asset Purchaser Mortgage Receivables Purchase Agreement, the Asset Purchaser shall be obliged to sell and assign the Relevant Mortgage Receivables to the relevant Seller, or any third party appointed by such Seller at its sole discretion, if it exercises its Regulatory Call Option and in such event the Asset Purchaser has the right to sell the Relevant Mortgage Receivables to the relevant Seller, provided that it shall apply the proceeds of such sale to repay principal due under the relevant IC Loan Agreement. The purchase price of each Mortgage Receivable in the event of such sale shall at least be equal to the Outstanding Principal Amount, together with accrued interest due but unpaid, if any, in respect of each Mortgage Receivable except that with respect to Defaulted Mortgage Receivables, the purchase price shall be at least the lesser of (i) an amount equal to the Indexed Foreclosure Value of the Mortgaged Assets or, if no valuation report of less than twelve (12) months old is available, the Indexed Foreclosure Value of the Mortgaged Assets and (ii) the sum of the Outstanding Principal Amount of the Mortgage Receivable, together with accrued interest due but unpaid, if any, and any other amounts due under the Defaulted Mortgage Receivable.

If the Asset Purchaser decides to offer for sale (part of) the Mortgage Receivables, it will first offer

such Mortgage Receivables to the Seller. The relevant Seller shall within a period of fifteen (15) Business Days of the offer inform the Asset Purchaser whether it wishes to repurchase the Mortgage Receivables. After such 15 Business Day period, the Asset Purchaser may offer such Mortgage Receivables for sale to any third party.

**Concentration limits upon downgrade; Revolving Credit Mortgage Loans**

If (i) the credit rating of ABN AMRO Bank N.V.'s long-term unsecured, unsubordinated and unguaranteed debt obligations falls below BBB (or BBB+ if the unsecured, unsubordinated and unguaranteed debt obligations do not have a short term rating of at least A-2) by S&P or such Credit rating is withdrawn by S&P and (ii) the percentage of the Available Credit Facilities of all Revolving Credit Mortgage Receivables held by the Asset Purchaser exceeds 15 per cent. of the Outstanding Principal Amount of all Mortgage Receivables, the Asset Purchaser shall sell within sixty (60) days Revolving Credit Mortgage Receivables with an Outstanding Principal Amount at least equal to the percentage by which the Available Credit Facilities exceed 15 per cent. of all Mortgage Receivables multiplied by the Outstanding Principal Amount of all Mortgage Receivables.

## 7.2 Representations and warranties

Each Seller will represent and warrant on the relevant Mortgage Purchase Date with respect to the Relevant Mortgage Receivables that it will sell and assign to the Asset Purchaser on such date and the Beneficiary Rights relating thereto and the Relevant Mortgage Loans, *inter alia*, that:

- (a) each of the Relevant Mortgage Receivables and the Beneficiary Rights relating thereto is duly and validly existing and is not subject to annulment or dissolution as a result of circumstances which have occurred prior to or on the relevant Mortgage Purchase Date;
- (b) it has full right and title ("*titel*") to the Relevant Mortgage Receivables and the Beneficiary Rights relating thereto and no restrictions on the sale and transfer of the Relevant Mortgage Receivables and the Beneficiary Rights relating thereto are in effect and the Relevant Mortgage Receivables and the Beneficiary Rights relating thereto are capable of being assigned;
- (c) it has power ("*is beschikkingsbevoegd*") to sell and assign the Relevant Mortgage Receivables and the Beneficiary Rights relating thereto;
- (d) the Relevant Mortgage Receivables and the Beneficiary Rights relating thereto are free and clear of any encumbrances and attachments ("*beslagen*") and no option to acquire the Relevant Mortgage Receivables and the Beneficiary Rights relating thereto has been granted in favour of any third party with regard to the Relevant Mortgage Receivables and the Beneficiary Rights relating thereto;
- (e) each Mortgaged Asset concerned was valued when application for the relevant Mortgage Loan was made by an independent qualified valuer or surveyor, except in the cases described in the acceptance conditions of the relevant Seller or, if the Relevant Mortgage Loan was originated by a third party, the relevant Originator and no revaluation of the Mortgaged Assets has been made for the purpose of this transaction;
- (f) each Relevant Mortgage Receivable and the Mortgage and the Borrower Pledge, if any, securing such receivable constitutes legal, valid, binding and enforceable obligations of the relevant Borrower;
- (g) all Mortgages and Borrower Pledges (i) constitute valid mortgage rights ("*hypotheekrechten*") and rights of pledge ("*pandrechten*") respectively on the Mortgaged Assets and the assets which are the subject of the Borrower Pledges and, to the extent relating to the Mortgages, have been entered in the relevant public register ("*Dienst van het Kadaster en de Openbare Registers*"), and (ii) were vested for a principal sum which is at least equal to the Outstanding Principal Amount of the Relevant Mortgage Loan when originated increased with interest, penalties, costs and any insurance premium paid by the relevant Seller on behalf of the Borrower;
- (h) each of the Relevant Mortgage Loans has been granted, and each of the Mortgages and Borrower Pledges has been vested, subject to the general terms and conditions and in the forms of mortgage deeds, loan agreements and deeds of pledge attached to the relevant Asset Purchaser Mortgage Receivables Purchase Agreement, as these forms may be amended in accordance with the Asset Purchaser Mortgage Receivables Purchase Agreement by the Seller;
- (i) the particulars of each Relevant Mortgage Loan, as set forth in the List of Mortgage Loans attached to each Deed of Sale, Assignment and Pledge to be signed at the relevant Mortgage Purchase Date are correct and complete in all material respects;
- (j) each of the Relevant Mortgage Loans meets the Mortgage Loan Criteria as set forth below;
- (k) each of the Relevant Mortgage Loans and, if offered by the relevant Seller, the Insurance Policy connected thereto, has been granted in accordance with all applicable legal requirements and the Code of Conduct and has met in all material respects the relevant Originator's standard acceptance conditions prevailing at that time and such acceptance conditions are in a form as may be expected from a reasonably prudent lender of residential mortgage loans in the Netherlands;
- (l) other than the aggregate Asset Purchaser Construction Deposits and any Available Credit Facility under Revolving Credit Mortgage Loans, the principal sum was in case of each of the Relevant Mortgage Loans fully disbursed to the relevant Borrower, whether or not through the relevant civil law notary, upon origination;

- (m) in respect of each of the relevant Savings Mortgage Receivables the relevant Seller has the benefit of a valid right of pledge on the rights under the Savings Insurance Policies and either (i) the relevant Seller has the benefit of the appointment as beneficiary ("*begunstigde*") under such Savings Insurance Policies, upon the terms of the Relevant Mortgage Loans and the relevant Savings Insurance Policies, which appointment has been notified to the relevant Insurance Companies, or (ii) the relevant Insurance Company is irrevocably authorised to apply the insurance proceeds in satisfaction of the Relevant Mortgage Receivable;
- (n) in the case of each Bank Savings Mortgage Loan, the relevant Seller has the benefit of a valid Borrower Pledge on the rights under the relevant Bank Savings Account;
- (o) in respect of each of the relevant Life Mortgage Receivables the relevant Seller has the benefit of a valid right of pledge on the rights under the Life Insurance Policy and either (i) the relevant Seller has the benefit of the appointment as beneficiary ("*begunstigde*") under such Life Insurance Policies upon the terms of the Relevant Mortgage Loans and the relevant Life 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 Mortgage Receivable;
- (p) in respect of each of the relevant Investment Mortgage Receivables the relevant Seller has the benefit of a valid right of pledge on the rights under the Risk Insurance Policy and on the relevant investment accounts and either (i) the relevant Seller has the benefit of the appointment as beneficiary ("*begunstigde*") under such Risk Insurance Policy upon the terms of the Relevant Mortgage Loans and the relevant Risk 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 Mortgage Receivable;
- (q) it has not been notified and is not aware of anything affecting the relevant Seller's title to the Relevant Mortgage Receivables;
- (r) the notarial mortgage deeds ("*minuut*") relating to the Mortgages are kept by a civil law notary in the Netherlands, while the loan files, which include authentic or scanned copies of the notarial mortgage deeds, are kept by the relevant Seller;
- (s) to the best knowledge of the relevant Seller, the Borrowers are not in any material breach of any provision of their Relevant Mortgage Loans other than their payment obligations;
- (t) each of the Mortgaged Assets on which a Mortgage has been vested to secure the Relevant Mortgage Receivable had, at the time the Relevant Mortgage Loan was advanced the benefit of buildings insurance ("*opstalverzekering*") for the full reinstatement value ("*herbouwwaarde*");
- (u) the mortgage conditions, other than the mortgage conditions used by Nutsspaarbank te 's-Gravenhage N.V. and Generale Bank Nederland N.V. (which ceased to exist following a merger with Fortis Bank (Nederland) N.V. which subsequently merged with ABN AMRO Bank N.V.) and those used by Oosteroever Hypotheken B.V. and Quion 9 B.V. prior to 2008, provide that all payments by the Borrower should be made without any deduction or set-off;
- (v) in respect of each of the Sellers, other than ABN AMRO Bank N.V., (i) it owes no amounts to a Borrower under a current account relationship and (ii) no deposits have been accepted by it from any Borrower under a Mortgage Loan, other than Asset Purchaser Construction Deposits, on the Programme Signing Date or the Programme Accession Date, as applicable;
- (w) no Mortgaged Asset was subject to residential letting at the time of origination of the Mortgage Loan;
- (x) where compulsory under the acceptance conditions used by the relevant Originator, each Relevant Mortgage Loan has a compulsory Life Insurance Policy or Risk Insurance Policy attached to it;
- (y) in respect of each of the Sellers, other than Direktbank N.V. (to the extent relating to Life Mortgage Loans to which a Life Insurance Policy is connected that have been sold by Direktbank N.V.'s legal predecessor Fortis Hypotheek Bank N.V. or originated under the name *ASR Woninghypotheken*); in respect of Life Mortgage Loans to which a Life Insurance Policy is connected with an Insurance Company which is not a group company of the relevant Seller, the Life Mortgage Loan and the Life Insurance Policy are not offered as one product or under one name and the Borrowers are free to choose the relevant Insurance Company; and
- (z) in respect of Investment Mortgage Loans, the securities are purchased by a bankruptcy remote securities giro ("*effectengiro*"), a bank or an investment firm ("*beleggingsonderneming*") for the account of the Borrowers and these securities are held in custody by an admitted institution of

Euroclear Netherlands, if these securities qualify as securities as defined in the Dutch Securities Giro Transfer Act ("*Wet giraal effectenverkeer*") or, if they do not qualify as such, by a separate depository vehicle;



## 7.3 Mortgage Loan Criteria

Each of the Mortgage Receivables sold and assigned to the Asset Purchaser on a Mortgage Purchase Date and the related Mortgage Loans will meet the following criteria on the relevant Mortgage Purchase Date:

- (a) the Mortgaged Asset is situated in the Netherlands;
- (b) the Borrower is a private individual ("*natuurlijk persoon*");
- (c) the Borrower is not an employee of the relevant Seller or any of its group companies;
- (d) each Mortgage Loan has been originated after 1 January 1992;
- (e) each Mortgage Receivable is secured by a Mortgage on a Mortgaged Asset used for residential purposes and is governed by Dutch law;
- (f) the Mortgage Loans are either:
  - (i) Annuity Mortgage Loans ("*annuïteitenhypotheken*"); or
  - (ii) Linear Mortgage Loans ("*lineaire hypotheken*"); or
  - (iii) Interest-only Mortgage Loans ("*aflossingsvrije hypotheken*"); or
  - (iv) Investment Mortgage Loans ("*beleggingshypotheken*");
  - (v) Revolving Credit Mortgage Loans ("*krediet in rekening-courant*"); or
  - (vi) Savings Mortgage Loans ("*spaarhypotheken*"); or
  - (vii) Bank Savings Mortgage Loans ("*bankspaarhypotheken*"); or
  - (viii) Life Mortgage Loans ("*levenhypotheken*"), with either a unit-linked Life Insurance Policy or a traditional Life Insurance Policy connected to it or in the form of a Hybrid Mortgage Loan; or
  - (ix) combinations of the above mentioned types of Mortgage Loans;
- (g) payments on each Mortgage Receivable are made either by a direct debit or by a wire transfer;
- (h) each interest payment on each Mortgage Receivable is made either monthly in arrears, or monthly, quarterly, semi-annually or annually in advance;
- (i) on the last day of the Mortgage Calculation Period immediately preceding the relevant Mortgage Purchase Date no amounts under any of the Mortgage Receivables were overdue and unpaid;
- (j) each Mortgage Loan constitutes the entire loan granted to the relevant Borrower and not merely one or more loan parts ("*leningdelen*");
- (k) the Outstanding Principal Amount of each Mortgage Loan, or of all Mortgage Loans granted to the same Borrower, less the relevant Participation, if any, does not exceed 130 per cent. of the sum of (i) the most recent Foreclosure Value of the relevant Mortgaged Asset and (ii) the amount of additional collateral such as "*Spaarwaarde*" held with the relevant Insurance Company (other than the Insurance Savings Participants) and/or the value of the investments for Investment Mortgage Loans or Life Mortgage Loans;
- (l) the Outstanding Principal Amount of each Mortgage Loan or of all Mortgage Loans granted to a Borrower, less the relevant Participation, if any, did not exceed euro 1,000,000; and
- (m) all Mortgages and Borrower Pledges have first priority ("*eerste in rang*") or have first and sequentially lower ranking priority; and
- (n) if a Current LTOFV-Trigger Event has occurred and for so long as such event continues, each Mortgage Loan has an Current Loan to Original Foreclosure Value Ratio lower than the weighted average Current Loan to Original Foreclosure Value Ratio of all Mortgage Loans at the moment the Current LTOFV-Trigger Event occurred;

## 7.4 Portfolio conditions

The purchase by the Asset Purchaser of New Mortgage Receivables and Further Advance Receivables and the Beneficiary Rights relating thereto will be subject to a number of conditions, which include, *inter alia*, the conditions that on the relevant Mortgage Purchase Date, after giving effect to such purchase, where applicable:

- (a) the relevant Seller will represent and warrant to the Asset Purchaser and the Security Trustee
  - (i) the matters set out in the clauses providing for the representations and warranties (see *Representations and Warranties*) relating to the Relevant Mortgage Loans and the Relevant Mortgage Receivables with respect to the Relevant New Mortgage Receivables and Relevant Further Advance Receivables and the Beneficiary Rights relating thereto sold by it on such date and
  - (ii) those relating to the relevant Seller;
- (b) no Asset Purchaser Assignment Notification Event relating to the relevant Seller has occurred and is continuing;
- (c) there has been no failure by the relevant Seller to repurchase any Mortgage Receivable which it is required to repurchase pursuant to the Asset Purchaser Mortgage Receivables Purchase Agreement;
- (d) the Asset Purchaser Purchase Available Amount is sufficient to pay (the relevant part of) the Initial Purchase Price for the New Mortgage Receivables and Further Advance Receivables;
- (e) no downgrading of the Notes by any of the Credit Rating Agencies below the Minimum Credit Ratings of the Notes or, if the then current ratings of the Notes are below the Minimum Credit Ratings, no downgrading of the Notes by any of the Credit Rating Agencies will occur as a result of such purchase;
- (f) the Current Loan to Original Foreclosure Value Ratio does not exceed the Current LTOFV-ratio Required Percentage;
- (g) the aggregate Outstanding Principal Amount of the Mortgage Loans
  - (i) having a Current Loan to Original Foreclosure Value Ratio higher than 95 per cent. does not exceed 50 per cent. of the Outstanding Principal Amount of all Mortgage Loans;
  - (ii) having a Current Loan to Original Foreclosure Value Ratio higher than 105 per cent. does not exceed 40 per cent. of the Outstanding Principal Amount of all Mortgage Loans;
  - (iii) having a Current Loan to Original Foreclosure Value Ratio higher than 115 per cent. does not exceed 25 per cent. of the Outstanding Principal Amount of all Mortgage Loans;
  - and (iv) having a Current Loan to Original Foreclosure Value Ratio higher than 125 per cent. does not exceed 5 per cent. of the Outstanding Principal Amount of all Mortgage Loans;
- (h) the Asset Purchaser Construction Deposit does not exceed 3 per cent. of the aggregate Outstanding Principal Amount of all Mortgage Receivables;
- (i) the weighted average number of months elapsed with respect to all Mortgage Loans as of their date of origination is at least forty two (42) months;
- (j) the aggregate Outstanding Principal Amount of all Mortgage Loans with an Outstanding Principal Amount of more than 500,000 euro does not exceed 13 per cent. of the aggregate Outstanding Principal Amount of all Mortgage Loans;
- (k) no amount is standing to the debit of the IC Loan Principal Deficiency Ledger after application of the Asset Purchaser Available Revenue Funds on such date, or, if such date is not a Notes Payment Date, no amount is standing to the debit of the IC Loan Principal Deficiency Ledger on the immediately preceding Notes Payment Date and no Subordinated Loan is outstanding on such date;
- (l) the balance on the Unreserved Ledger was at least equal to the Class D Required Subordinated Amount;
- (m)
  - (i) the aggregate Outstanding Principal Amount of the New Mortgage Receivables and Further Advance Receivables to be purchased on the relevant Mortgage Purchase Date and purchased on any earlier Mortgage Purchase Date falling after the immediately preceding Notes Payment Date does not exceed 20 per cent. of the aggregate Outstanding Principal Amount of all Mortgage Loans held by the Asset Purchaser on such Mortgage Purchase Date and
  - (ii) the aggregate Outstanding Principal Amount of the New Mortgage Receivables and Further Advance Receivables to be purchased on the relevant Mortgage Purchase Date and purchased on any earlier Mortgage Purchase Date falling after the Notes Payment Date falling one (1) year before the relevant Mortgage Purchase Date does not exceed 50 per cent. of the aggregate

Outstanding Principal Amount of all Mortgage Loans held by the Asset Purchaser on such Mortgage Purchase Date, except in the case of any purchase of New Mortgage Receivables and Further Advance Receivables by the Asset Purchaser in relation to a new issue of Notes to the extent that the aggregate Outstanding Principal Amount of the New Mortgage Receivables and Further Advance Receivables to be purchased on the relevant Mortgage Purchase Date does not exceed the issue proceeds of such Notes (other than the Class E Notes);

- (n) each Series and Class or, if applicable, Sub-class of Notes, other than the Class E Notes, in respect of which a First Optional Redemption Date has occurred more than one year before the relevant Mortgage Purchase Date, has been redeemed in full subject to Condition 9(b);
- (o) S&P has not informed the Issuer and the Asset Purchaser that the weighted average frequency of foreclosure and the weighted average loss severity of the Mortgage Receivables are above the required levels to support the Minimum Credit Ratings in relation to S&P;
- (p) the aggregate Outstanding Principal Amount of all Life Mortgage Receivables with a Life Insurance Policy with the same Insurance Company together does not exceed 40 per cent. of the aggregate Outstanding Principal Amount of all Mortgage Receivables together; and
- (q) the aggregate Outstanding Principal Amount of all Life Mortgage Receivables does not exceed 50 per cent. of the aggregate Outstanding Principal Amount of all Mortgage Receivables.

### **Portfolio Review**

If a Portfolio Review Event occurs, the Credit Rating Agencies may at their discretion review the then current pool of Mortgage Receivables sold to the Asset Purchaser by means of a regular review of the portfolio on a loan-by-loan basis. The Issuer and the Asset Purchaser are obliged to cooperate with this review and undertake to use reasonable efforts to provide the Credit Rating Agencies with the requested information.

A Portfolio Review Event means any of the following events:

- (a) a half calendar year has passed since (i) the previous Portfolio Review Event occurred, or (ii) if no Portfolio Review Event has occurred, the Programme Signing Date; or
- (b) the Outstanding Principal Amount of all Mortgage Loans on any date has increased by 10 per cent. or more since the date of the last Portfolio Review Event; or
- (c) any date on which more than four (4) per cent. of the aggregate Outstanding Principal Amount of the Mortgage Loans is in arrear for more than ninety (90) days; or
- (d) any Asset Purchaser Accession Date; or
- (e) if a new Series of Notes is issued; or
- (f) if new types of mortgage products are included in the pool, which have not been described herein or in any supplement to this Base Prospectus hereto; or
- (g) if a Seller materially changes its underwriting/lending criteria; or
- (h) any time a Credit Rating Agency requests to review the pool of Mortgage Loans.

## 7.5 Asset Purchaser Servicing Agreement

### Services

In the Asset Purchaser Servicing Agreement the Servicer has agreed to provide administration and management services to the Asset Purchaser on a day-to-day basis in relation to the Relevant Mortgage Loans and the Relevant Mortgage Receivables, including, without limitation, the collection of payments of principal, interest and other amounts in respect of the Relevant Mortgage Receivables and the transfer of such amounts (but no other amounts) on a monthly basis to the Asset Purchaser Collection Account, see also section 5 (*Credit Structure*) and the implementation of arrear procedures including the enforcement of Mortgages, see section 6.2 (*Origination and servicing by Sellers*). The Servicer will be obliged to administer the Relevant Mortgage Loans and the Relevant Mortgage Receivables at the same level of skill, care and diligence as mortgage loans in its own or, as the case may be, the relevant Seller's portfolio.

### Termination

The Asset Purchaser Servicing Agreement may be terminated by the Security Trustee or the Asset Purchaser (with the consent of the Security Trustee) upon the occurrence of certain termination events, including (a) a default by the Servicer in the payment on the due date of any payment due and payable by it under the Asset Purchaser Servicing Agreement (unless remedied within the applicable grace period) (b) a default by the Servicer in the performance or observance of any of its other covenants and obligations under the Asset Purchaser Servicing Agreement, which in the opinion of the Security Trustee is materially prejudicial to the interests of the Asset Purchaser and/or the holders of any Class of Notes or (c) the Servicer has taken any corporate action or any steps have been taken or legal proceedings have been instituted against it for its entering into bankruptcy, suspension of payments or emergency regulations ("*noodregeling*") or (d) the Servicer no longer holds a licence as intermediary ("*bemiddelaar*") or offeror ("*aanbieder*") under the Wft.

After termination of the Asset Purchaser Servicing Agreement, the Security Trustee and the Asset Purchaser shall use their best effort to appoint a substitute servicer and such substitute servicer shall enter into an agreement with the Asset Purchaser and the Security Trustee substantially on the terms of the Asset Purchaser Servicing Agreement, provided that such substitute servicer shall have the benefit of a Mortgage Loans servicing fee and an administration fee at a level to be then determined. Any such substitute servicer must have experience of administering mortgage loans and mortgages of residential property in the Netherlands and hold a licence as intermediary or offeror under the Wft. The Asset Purchaser 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 Asset Purchaser Rights Pledge Agreement, *mutatis mutandis*, to the satisfaction of the Security Trustee.

In addition, the Asset Purchaser Servicing Agreement may be terminated (i) by the Servicer and (ii) by the Asset Purchaser, upon the expiry of not less than twelve (12) months' notice of termination given by (i) the Servicer to each of the Asset Purchaser and the Security Trustee, or (ii) by the Asset Purchaser to the Servicer and the Security Trustee, provided that - *inter alia* - (a) the Security Trustee consents in writing to such termination and (b) a substitute servicer shall be appointed, such appointment to be effective not later than the date of termination of the Asset Purchaser Servicing Agreement and such substitute asset purchaser servicer enters into an agreement substantially on the terms of the Asset Purchaser Servicing Agreement and the Servicer shall not be released from its obligations under the Asset Purchaser Servicing Agreement until such new agreement has been signed and entered into effect with respect to such substitute asset purchaser servicer.

## 7.6 Asset Purchaser Participation Agreements

### Asset Purchaser Insurance Savings Participation Agreements

Under the Asset Purchaser Insurance Savings Participation Agreements the Asset Purchaser grants to the relevant Insurance Savings Participant a Insurance Savings Participation (i) in the Savings Mortgage Receivables and Hybrid Mortgage Receivables, to which a Savings Insurance Policy or a Savings Investment Insurance Policy is connected with ASR Levensverzekering N.V. or (ii) in all other cases, in the Savings Mortgage Receivables and Hybrid Mortgage Receivable sold by the relevant Seller which also acts as Insurance Savings Participant.

### Insurance Savings Participation

In each Asset Purchaser Insurance Savings Participation Agreement the relevant Insurance Savings Participant undertakes to pay to the Asset Purchaser in respect of the relevant Savings Mortgage Receivables and Hybrid Mortgage Receivables:

- (i) on (a) with respect to Savings Mortgage Receivables and Hybrid Mortgage Receivables, if and to the extent that Savings Premium is deposited or accumulated in a savings part of the Savings Investment Insurance Policy connected thereto, purchased by the Asset Purchaser, the relevant Mortgage Purchase Date and (b) with respect to Hybrid Mortgage Receivables in case of a switch of Savings Premium accumulated in the investment part of the Savings Investment Insurance Policy into a savings part of the Savings Investment Insurance Policy, the Mortgage Purchase Date immediately succeeding the date of such switch, the Initial Insurance Savings Participation in relation to such Savings Mortgage Receivables and Hybrid Mortgage Receivables; and
- (ii) on each Mortgage Collection Payment Date an amount equal to (i) the amount received by the relevant Insurance Savings Participants as Savings Premium in respect of Savings Mortgage Receivables and Hybrid Mortgage Receivables other than those referred to in item (i) below and (ii) in respect of Savings Mortgage Receivables and Hybrid Mortgage Receivables in which the relevant Seller holds a sub-participation, the amount scheduled to be received by the relevant Insurance Company as Savings Premium, during the Mortgage Calculation Period then ended.

As a consequence of such payments each of the Insurance Savings Participants will acquire an Insurance Savings Participation in each relevant Savings Mortgage Receivable and Hybrid Mortgage Receivable, which is equal to the Initial Insurance Savings Participation in respect of the Savings Mortgage Receivable and Hybrid Mortgage Receivable, increased during each Mortgage Calculation Period with the Insurance Savings Participation Increase.

In consideration for the undertaking of the Insurance Savings Participants described above, the Asset Purchaser will undertake to pay to each Insurance Savings Participant on each Mortgage Collection Payment Date an amount equal to the Insurance Savings Participation in the Savings Mortgage Receivables and the Hybrid Mortgage Receivables in respect of which amounts have been received during the relevant Mortgage Calculation Period (i) by means of repayment and prepayment in full under the relevant Savings Mortgage Receivables and Hybrid Mortgage Receivables, but excluding prepayment penalties, if any, (ii) in connection with a repurchase of Savings Mortgage Receivables and/or Hybrid Mortgage Receivables pursuant to the Asset Purchaser Mortgage Receivables Purchase Agreement and any other amounts received pursuant to the Asset Purchaser Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal, (iii) in connection with a sale of relevant Savings Mortgage Receivables and/or Hybrid Mortgage Receivables pursuant to the Asset Purchaser Trust Agreement to the extent such amounts relate to principal, and (iv) as Net Foreclosure Proceeds on the relevant Savings Mortgage Receivables and Hybrid Mortgage Receivables to the extent such amounts relate to principal (the '**Insurance Savings Participation Redemption Available Amount**').

### Reduction of Insurance Savings Participation

If a Borrower asserts a defence, including but not limited to a right of set-off or counterclaim against any person in respect of a Savings Mortgage Receivable or Hybrid Mortgage Receivable based upon a default in the performance, whether in whole or in part, by the Insurance Savings Participant or the relevant Insurance Company, as applicable, or if, for whatever reason, the relevant Insurance Savings

Participant or the relevant Insurance Company, as applicable, does not pay the insurance proceeds when due and payable, whether in full or in part, under the relevant Savings Insurance Policy or Savings Investment Insurance Policy and, as a consequence thereof, the Asset Purchaser will not have received any amount in respect of such Savings Mortgage Receivable or Hybrid Mortgage Receivable, which was outstanding prior to such event, the Insurance Savings Participation of the relevant Insurance Savings Participant in respect of such Savings Mortgage Receivable or Hybrid Mortgage Receivable will be reduced by an amount equal to the amount which the Asset Purchaser has failed to receive as a result of such defence and the calculation of the Insurance Savings Participation Redemption Available Amount shall be adjusted accordingly.

#### **Asset Purchaser Enforcement Notice**

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

- (i) declare that the obligations of the Insurance Savings Participants under the relevant Asset Purchaser Insurance Savings Participation Agreement are terminated; and
- (ii) declare the Insurance 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 Insurance Savings Participation Redemption Available Amount or, as the case may be, the Participation Enforcement Available Amount received or recovered by the Asset Purchaser or, as the case may be, the Security Trustee in respect of each of the Savings Mortgage Receivables and Hybrid Mortgage Receivables.

#### **Termination**

If one or more of the Savings Mortgage Receivables and/or Hybrid Mortgage Receivables are (x) repurchased by the relevant Seller from the Asset Purchaser pursuant to the Asset Purchaser Mortgage Receivables Purchase Agreement or (y) sold by the Asset Purchaser to a third party pursuant to the Asset Purchaser Trust Agreement or (z), in respect of Hybrid Mortgage Loans, in case of a Policy Switch, provided that on the relevant Mortgage Collection Payment Date the aggregate Participation Increase relating to the relevant Insurance Savings Participant is at least equal to the Insurance Savings Participation in the relevant Hybrid Mortgage Receivable, the Insurance Savings Participation in such Savings Mortgage Receivable and/or Hybrid Mortgage Receivable will terminate and the Insurance Savings Participation Redemption Available Amount in respect of the Savings Mortgage Receivable and Hybrid Mortgage Receivable will be paid by the Asset Purchaser to the relevant Insurance Savings Participants. If so requested by the relevant Insurance Savings Participants, the Asset Purchaser will undertake its best efforts to ensure that the purchaser of the Savings Mortgage Receivables and Hybrid Mortgage Receivables will enter into a participation agreement with the Insurance Savings Participants in a form similar to the Asset Purchaser Insurance Savings Participation Agreement. Furthermore, an Insurance Savings Participation envisaged in the Asset Purchaser Insurance Savings Participation Agreement shall terminate if at the close of business of any Mortgage Collection Payment Date the relevant Insurance Savings Participant has received the Insurance Savings Participation in respect of the relevant Savings Mortgage Receivable or Hybrid Mortgage Receivable.

#### **Asset Purchaser Bank Savings Participation Agreement**

Under the Asset Purchaser Bank Savings Participation Agreement the Asset Purchaser will grant to each Bank Savings Participant a Bank Savings Participation in the Relevant Bank Savings Mortgage Receivables.

#### **Bank Savings Accounts**

The conditions applicable to the Bank Savings Mortgage Loans stipulate that amounts paid by the Borrowers will be deposited by the relevant Bank Savings Participant on the relevant Bank Savings Account held with ABN AMRO or Direktbank, as the case may be.

#### **Bank Savings Participation**

In the Asset Purchaser Bank Savings Participation Agreement each Bank Savings Participant will undertake to pay to the Asset Purchaser:

- (i) on the relevant Mortgage Purchase Date, the Initial Bank Savings Participation in relation to each of the Relevant Bank Savings Mortgage Receivables; and
- (ii) on each Mortgage Collection Payment Date an amount equal to the amount received by each Bank Savings Participant on the relevant Bank Savings Account in relation to the Relevant Bank Savings Mortgage Receivables during the Mortgage Calculation Period immediately preceding such Mortgage Collection Payment Date;

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

As a consequence of such payments, each Bank Savings Participant will acquire a Bank Savings Participation in each of the Relevant Bank Savings Mortgage Receivables, which is equal to the Initial Bank Savings Participation in respect of the Relevant Bank Savings Mortgage Receivables, increased during each Mortgage Calculation Period with the Bank Savings Participation Increase.

In consideration for the undertakings of the Bank Savings Participants described above, the Asset Purchaser will undertake to pay to each Bank Savings Participant on each Mortgage Collection Payment Date an amount equal to the Bank Savings Participation in each of the Relevant Bank Savings Mortgage Receivables in respect of which amounts have been received during the relevant Mortgage Calculation Period (i) by means of repayment and prepayment under the Relevant Bank Savings Mortgage Receivables, but excluding any prepayment penalties and interest penalties, if any, and, furthermore, excluding amounts paid as partial prepayments on the Relevant Bank Savings Mortgage Receivable, (ii) in connection with a repurchase of Relevant Bank Savings Mortgage Receivables pursuant to the Asset Purchaser Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal, (iii) in connection with a sale of Relevant Bank Savings Mortgage Receivables pursuant to the Trust Deed to the extent such amounts relate to principal and (iv) as Net Foreclosure Proceeds on any Relevant Bank Savings Mortgage Receivables to the extent such amounts relate to principal (the "**Bank Savings Participation Redemption Available Amount**").

#### **Reduction of Participation**

If a Borrower invokes a defence, including but not limited to a right of set-off or counterclaim against any person in respect of a Relevant Bank Savings Mortgage Receivable if, for whatever reason, any Bank Savings Participant does not pay the amounts due under the Relevant Bank Savings Mortgage Receivable, whether in full or in part, and, as a consequence thereof, the Asset Purchaser will not have received any amount outstanding prior to such event in respect of such Relevant Bank Savings Mortgage Receivable, the Bank Savings Participation of the Bank Savings Participant in respect of such Relevant Bank Savings Mortgage Receivable, will be reduced by an amount equal to the amount which the Asset Purchaser has failed to so receive.

#### **Asset Purchaser Enforcement Notice**

If an Enforcement Notice or an Asset Purchaser Enforcement Notice is given by the Security Trustee to the Asset Purchaser, then and at any time thereafter the Security Trustee on behalf of any Bank Savings Participant may, and if so directed by any Bank Savings Participants shall, by notice to the Asset Purchaser:

- (i) declare that the obligations of the relevant Bank Savings Participant under the Asset Purchaser Bank Savings Participation Agreement are terminated;
- (ii) declare the Bank Savings Participation in relation to the Relevant Bank Savings Mortgage Receivables to be immediately due and payable, whereupon it shall become so due and payable, but such payment obligations shall be limited to the Bank Savings Participation Redemption Available Amount or, as the case may be, the Participation Enforcement Available Amount received or recovered by the Asset Purchaser or, as the case may be, Security Trustee in respect of the Relevant Bank Savings Mortgage Receivables.

**Termination**

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



## 8. GENERAL

1. The establishment of the Programme and the issue of Notes under the Programme from time to time have been duly authorised by a resolution of the board of directors of the Issuer dated 19 September 2007 and the increase of the aggregate nominal amount of the Programme from EUR 25,000,000,000 to EUR 100,000,000,000 has been duly authorised by a resolution of the board of directors dated 22 May 2009. All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of The Netherlands have been given for the issue of Notes and for the Issuer to undertake and perform its obligations under the Transaction Documents.
2. Application may be made for Notes issued under the Programme to be admitted to listing and trading on Euronext Amsterdam during the period of twelve (12) months from the date of this Base Prospectus. Notice of any terms and conditions not contained herein which are applicable to the Notes will be set out in the Applicable Final Terms which, with respect to such Notes to be listed on Euronext Amsterdam, will be delivered to Euronext Amsterdam and filed with the AFM on or before the date of issue. Notes issued under the Programme may also be listed on any other stock exchange specified in the Applicable Final Terms or unlisted.
3. The following document shall be deemed to be incorporated in, and form part of, this Base Prospectus:
  - the audited financial statements of the Issuer including the audit report for the year ending 31 December 2009;
  - the audited financial statements of the Issuer including the audit report for the year ending 31 December 2010; and
  - the audited financial statements of the Issuer including the audit report for the year ending 31 December 2011.
4. Copies of the following documents may be inspected at the specified offices of the Security Trustee or any other office indicated by the Security Trustee during normal business hours:
  - (i) the articles of association of the Issuer;
  - (ii) the Paying Agency Agreement;
  - (iii) the Programme Agreement (including the Master Definitions Schedule);
  - (iv) the Issuer Administration Agreement;
  - (v) the Issuer Rights Pledge Agreement;
  - (vi) the Issuer Parallel Debt Agreement;
  - (vii) the Issuer Trust Deed;
  - (viii) the Issuer Account Agreement;
  - (ix) the Issuer Currency Swap Undertaking Letter;
  - (x) each Issuer Currency Swap Agreement;
  - (xi) the forms of the Temporary Global Notes, the Permanent Global Notes and the Definitive Notes set out in the schedules to the Issuer Trust Deed;
  - (xii) the IC Loan Agreement
  - (xiii) the Asset Purchaser Mortgage Receivables Purchase Agreement;
  - (xiv) the Asset Purchaser Servicing Agreement;
  - (xv) the Asset Purchaser Rights Pledge Agreement;
  - (xvi) the Asset Purchaser Mortgage Receivables Pledge Agreement;
  - (xvii) the Asset Purchaser Trust Agreement;
  - (xviii) each Asset Purchaser Insurance Savings Participation Agreement;
  - (xix) the Asset Purchaser Bank Savings Participation Agreement;
  - (xx) the Asset Purchaser Account Agreement;
  - (xxi) the Asset Purchaser Swap Agreement;
  - (xxii) the Asset Purchaser Beneficiary Waiver Agreement;
  - (xxiii) the Asset Purchaser Administration Agreement;
  - (xxiv) the articles of association of the Security Trustee;

- (xxv) any future Base Prospectuses, supplemental prospectuses hereto and the Final Terms in respect of listed Notes to this Base Prospectus.
5. This Base Prospectus and any documents incorporated herein by reference in this Base Prospectus are available for viewing on the website of ABN AMRO Bank N.V. at <http://www.abnamro.com/nl/investor-relations/debt-investors/securitisations/residential-mortgages/dolphin/index.html>, where copies of this Base Prospectus and such documents may also be obtained free of charge.
  6. The audited annual financial statements of the Issuer prepared annually are available, free of charge, at the specified offices of the Security Trustee.
  7. The accountants at KPMG Accountants N.V. are registered accountants ("registeraccountants") and are a member of the Netherlands Institute for Registered Accountants ("NIVRA").
  8. A copy of the Issuer's articles of association is available, free of charge, at the office of the Issuer.
  9. Application will be made for the Notes to be accepted for clearance through Euroclear and Clearstream, Luxembourg or Euroclear Netherlands, or any other agreed clearing system, as the case may be. The appropriate common code, ISIN and security code allocated by Euroclear and Clearstream, Luxembourg or Euroclear Netherlands, or any other agreed clearing system, as the case may be, will be specified in the Applicable Final Terms.
  10. Post-issuance transaction information in the form of a quarterly report on the performance, including the arrears and losses, of the transaction, together with current stratification tables and information on new issues of Notes under this Programme will be published on and can be obtained at: <http://www.abnamro.com/nl/investor-relations/debt-investors/index.html>.

#### **Responsibility statement**

The Issuer accepts responsibility for the information contained in this Base Prospectus. To the best of its knowledge (having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. Any information from third-parties identified in this Base Prospectus as such has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by a third party, does not omit any facts which would render the reproduced information inaccurate or misleading. The Issuer accepts responsibility accordingly.

The Sellers are also responsible for the information contained in the following sections of this Base Prospectus: *Retention and disclosure requirements under the Capital Requirements Directive* in section 1.4 (Notes), section 3.7 (Sellers), section 4.7 (Regulatory and Industry compliance), section 6.1 (Description of Mortgage Loans), section 6.2 (Origination and servicing by Sellers) and section 6.3 (Dutch residential mortgage market). To the best of its knowledge (having taken all reasonable care to ensure that such is the case) each Seller represents that the information contained in these paragraphs is in accordance with the facts and does not omit anything likely to affect its import. Any information from third-parties identified in these paragraphs as such has been accurately reproduced and, as far as the Seller is aware and is able to ascertain from information published by that third-party, does not omit any facts which would render the reproduced information inaccurate or misleading. Each Seller accepts responsibility accordingly.

# GLOSSARY

## GLOSSARY OF DEFINED TERMS

### 1 DEFINITIONS

Except where the context otherwise requires, the following defined terms used in this Base Prospectus have the meaning set out below:

**"403-Declarations"** means any of the ABN AMRO Bank 403-Declarations and the ABN AMRO Group 403-Declarations;

**"403-Guarantor"** means any of ABN AMRO Bank N.V. and ABN AMRO Group N.V.;

**"ABN AMRO Bank"** means ABN AMRO Bank N.V. a public company ("*naamloze vennootschap*") organised under Dutch law and established in Amsterdam, the Netherlands;

**"ABN AMRO Bank 403-Declarations"** means the declarations pursuant to Article 2:403 of the Dutch Civil Code which ABN AMRO Bank N.V. has filed with the relevant Commercial Register in which it has declared to be jointly and severally liable for the debts resulting from legal acts ("*rechtshandelingen*") of (i) Direktbank N.V., which acts as Seller, Insurance Savings Participant and Bank Savings Participant and (ii) each of Oosteroever Hypotheken B.V. and Quion 9 B.V., which act as Seller and Insurance Savings Participant;

**"ABN AMRO Group 403-Declarations"** means the declarations pursuant to Article 2:403 of the Dutch Civil Code which ABN AMRO Group N.V. has filed with the relevant Commercial Register in which it has declared to be jointly and severally liable for the debts resulting from legal acts of ABN AMRO Bank N.V. and ABN AMRO Hypotheken Groep B.V., Direktbank N.V., Oosteroever Hypotheken B.V. and Quion 9 B.V.;

**"Actual Interest"** means the interest received by the Asset Purchaser, including any penalty interest received on the Mortgage Receivables in the preceding Notes Calculation Period, less with respect to the relevant Savings Mortgage Receivables, Bank Savings Mortgage Receivables and Hybrid Mortgage Receivables, an amount equal to such interest received multiplied by the Participation Fraction;

**"Account Bank"** means either the Issuer Account Bank or the Asset Purchaser Account Bank;

**"AFM"** means the Netherlands Authority for the Financial Markets ("*Stichting Autoriteit Financiële Markten*");

+ **"Aggregate Purchase Price"** means the sum of the Initial Purchase Prices and the Deferred Purchase Prices of any and all New Mortgage Receivables and Further Advance Receivables purchased and assigned in accordance with the Asset Purchaser Mortgage Receivables Purchase Agreement;

**"All Moneys Mortgage"** means any mortgage right ("*hypotheekrecht*") which secures not only the loan granted to the Borrower to purchase the mortgaged property, but also any other liabilities and moneys that the Borrower, now or in the future, may owe to the relevant Originator either (i) regardless of the basis of such liability or (ii) under or in connection with the credit relationship ("*kredietrelatie*") of the Borrower and the Originator;

**"All Moneys Pledge"** means any right of pledge ("*pandrecht*") which secures (i) not only the loan granted to the Borrower to purchase the mortgaged property, but also any other liabilities and moneys that the Borrower, now or in the future, may owe to the relevant Originator either (i) regardless of the basis of such liability or (ii) under or in connection with the credit relationship ("*kredietrelatie*") of the Borrower and the Originator;

**"All Moneys Security Rights"** means any All Moneys Mortgages and All Moneys Pledges jointly;

**"Annuity Mortgage Loan"** means a mortgage loan or part thereof in respect of which the Borrower pays a fixed monthly instalment, made up of an initially high and thereafter decreasing interest portion and an initially low and thereafter increasing principal portion, and calculated in such manner that such mortgage loan will be fully redeemed at its maturity;

**"Annuity Mortgage Receivable"** means the Mortgage Receivable resulting from an Annuity Mortgage Loan;

**"Applicable Final Terms"** means, in relation to a Series and Class or Sub-Class of Notes, the Final Terms (or the relevant provisions thereof) attached to or endorsed on such Notes;

**"Arranger"** means ABN AMRO Bank;

**"Asset Purchaser"** means Dolphin Asset Purchasing B.V., a private company with limited liability ("*besloten vennootschap met beperkte aansprakelijkheid*") incorporated under Dutch law and established in Amsterdam, or, as the case may be, any Asset Purchaser who accedes to the Programme as Asset Purchaser;

**"Asset Purchaser Accession Date"** means in respect of an Asset Purchaser the date on which such Asset Purchaser accedes to the Programme and in respect of Dolphin Asset Purchasing B.V. the Programme Signing Date;

**"Asset Purchaser Account Agreement"** means the asset purchaser account agreement between the Asset Purchaser, the Security Trustee and the Asset Purchaser Account Bank dated the Programme Signing Date;

**"Asset Purchaser Account Bank"** means ABN AMRO Bank;

**"Asset Purchaser Accounts"** means any of the Asset Purchaser Collection Account and the Asset Purchaser Construction Deposit Account;

**"Asset Purchaser Accounts Balances"** means in respect of the Asset Purchaser, at any day, the balances on each Asset Purchaser Account at the close of business of such day;

**"Asset Purchaser Administration Agreement"** means the asset purchaser administration agreement between the Asset Purchaser, the Security Trustee and the Asset Purchaser Administrator dated the Programme Signing Date;

**"Asset Purchaser Administrator"** means ABN AMRO Hypotheken Groep B.V.;

**"Asset Purchaser Assignment Notification Event"** means any of the events specified as such in section 7.1 (*Purchase, repurchase and sale*) of this Base Prospectus;

**"Asset Purchaser Available Principal Funds"** has the meaning ascribed thereto in section 5.8 (*Available funds*) of this Base Prospectus;

**"Asset Purchaser Available Revenue Funds"** has the meaning ascribed thereto in section 5.8 (*Available funds*) of this Base Prospectus;

**"Asset Purchaser Bank Savings Participation Agreement"** means the asset purchaser bank savings participation agreement between the Asset Purchaser, the Bank Savings Participants and the Security Trustee dated the Programme Signing Date;

**"Asset Purchaser Beneficiary Waiver Agreement"** means the beneficiary waiver agreement between, among others, the Sellers, the Security Trustee and the Asset Purchaser dated the Programme Signing Date;

**"Asset Purchaser Collection Account"** means the bank account of the Asset Purchaser designated as such in the Asset Purchaser Account Agreement;

**"Asset Purchaser Collection Account Balance"** means at any day, the balance standing to the credit of the Asset Purchaser Collection Account at the close of business on such day;

**"Asset Purchaser Collection Account Interest"** means, in respect of a Notes Calculation Period, the interest accrued on the Asset Purchaser Collection Account;

**"Asset Purchaser Construction Deposit"** means in relation to a Mortgage Loan, that part of the Mortgage Loan which the relevant Borrower requested to be disbursed into a blocked account held in his name with the relevant Seller, the proceeds of which may be applied towards construction of, or improvements to, the relevant Mortgaged Asset, increased with accrued interest thereon;

**"Asset Purchaser Construction Deposit Account"** means the bank account of the Asset Purchaser designated as such in the Asset Purchaser Account Agreement;

**"Asset Purchaser Construction Deposit Account Balance"** means, at any day, the balance standing to the credit of the Asset Purchaser Construction Deposit Account at the close of business on such day;

**"Asset Purchaser Construction Deposit Account Interest"** means, in respect of a Notes Calculation Period, the interest accrued on the Asset Purchaser Construction Deposit Account;

**"Asset Purchaser Deposit Agreement"** means the asset purchaser deposit agreement between the relevant Seller, the Asset Purchaser, the Security Trustee and the relevant notary dated the Programme Signing Date or the relevant Asset Purchaser Accession Date, as the case may be;

**"Asset Purchaser Director"** means ATC Management B.V.;

+ **"Asset Purchaser Enforcement Available Amount"** means amounts corresponding to the sum of:

- (a) amounts recovered ("*verhaald*") in accordance with section 3:255 Dutch Civil Code by the Security Trustee under any of the Asset Purchaser Pledge Agreements on the Mortgage Receivables and the Beneficiary Rights relating thereto and the Asset Purchaser Rights including, without limitation, amounts recovered under or in connection with the Trustee Indemnification, however, in respect of Savings Mortgage Receivables and Hybrid Mortgage

Receivables and Bank Savings Mortgage Receivables only to the extent such amounts exceed the Participation in such Savings Mortgage Receivables and Hybrid Mortgage Receivables and Bank Savings Mortgage Receivables, and

- (b) any amounts received by the Security Trustee (i) in connection with the Asset Purchaser Parallel Debt and (ii) as creditor in connection with the Trustee Indemnification, less a part pro rata to the proportion of the aggregate Participation in all Savings Mortgage Receivables, Hybrid Mortgage Receivables and Bank Savings Mortgage Receivables bears to the aggregate Outstanding Principal Amount of all Mortgage Receivables;

in each case less the sum of (i) any amounts paid by the Security Trustee to the Asset Purchaser Secured Parties, other than the Participants, in accordance with the Asset Purchaser Trust Agreement and (ii) a part pro rata to the proportion the Asset Purchaser Enforcement Available Amount bears to the Participation Enforcement Available Amount of any cost, charges, liabilities and expenses (including, for the avoidance of doubt, any costs of the Credit Rating Agencies and any legal advisor, auditor and accountant appointed by the Security Trustee), incurred by the Security Trustee as Security Trustee, in connection with any of the Asset Purchaser Transaction Documents;

**"Asset Purchaser Enforcement Notice"** means the notice by the Security Trustee to the Asset Purchaser referred to in section 5.7 (*IC Loan*) of this Base Prospectus;

+ **"Asset Purchaser Expenses"** means, in respect of the Asset Purchaser, on any Notes Payment Date (a) the fees or other remuneration due and payable to the Asset Purchaser Director in connection with the Asset Purchaser Management Agreement, and the fees or other remuneration due and payable to the Shareholder Director and the Security Trustee Director in connection with the relevant Management Agreements and any costs, charges, liabilities and expenses incurred by the Security Trustee under or in connection with any of the Asset Purchaser Transaction Documents; (b) fees and expenses due and payable to the Asset Purchaser Administrator under the Asset Purchaser Administration Agreement and the Servicer under the Asset Purchaser Servicing Agreement and (c) amounts due and payable to third parties under obligations incurred in the Asset Purchaser's business (other than under the Asset Purchaser Transaction Documents), including, without limitation, sums due or provisions for any payment of the Asset Purchaser's liability, if any, to tax and the fees and expenses of the Credit Rating Agencies and any legal advisor, auditor and accountant appointed by the Asset Purchaser or the Security Trustee;

+ **"Asset Purchaser Guarantee"** has the meaning ascribed to it in section 4.10 (*Security*) of this Base Prospectus;

**"Asset Purchaser Insurance Savings Participation Agreement"** means each asset purchaser insurance savings participation agreement between the Asset Purchaser, the relevant Insurance Savings Participant and the Security Trustee dated the Programme Signing Date;

**"Asset Purchaser Management Agreement"** means the asset purchaser management agreement between the Asset Purchaser, the Asset Purchaser Director and the Security Trustee dated the Programme Signing Date;

**"Asset Purchaser Mortgage Receivables Pledge Agreement"** means the asset purchaser mortgage receivables pledge agreement entered into by the Asset Purchaser (as pledgor) and the Security Trustee (as pledgee) dated the Programme Signing Date;

**"Asset Purchaser Mortgage Receivables Purchase Agreement"** means the asset purchaser mortgage receivables purchase agreement between the Sellers, the Asset Purchaser and the Security Trustee dated the Programme Signing Date;

**"Asset Purchaser Parallel Debt"** has the meaning ascribed thereto in section 4.10 (*Security*) of this Base Prospectus;

**"Asset Purchaser Participation Agreement"** means any of the Asset Purchaser Insurance Savings Participation Agreements or the Asset Purchaser Bank Savings Participation Agreement;

+ **"Asset Purchaser Pass-through Payable Amount"** has the meaning ascribed thereto in section 5.9 (*Priority of Payments*) of this Base Prospectus;

**"Asset Purchaser Pledge Agreements"** means the Asset Purchaser Mortgage Receivables Pledge Agreement and the Asset Purchaser Rights Pledge Agreement;

**"Asset Purchaser Pledge Notification Event"** means any of the events specified in Clause 5 of the Asset Purchaser Mortgage Receivables Pledge Agreement;

**"Asset Purchaser Post-Enforcement Priority of Payments"** means the priority of payments as set out as such in section 5.9 (*Priority of Payments*) of this Base Prospectus;

**"Asset Purchaser Pre-Trigger Event Redemption Priority of Payments"** means the priority of payments as set out in section 5.9 (*Priority of Payments*) of this Base Prospectus;

**"Asset Purchaser Priority of Payments"** means any of the Asset Purchaser Pre-Trigger Event Redemption Priority of Payments, Asset Purchaser Revenue Priority of Payments and Asset Purchaser Post-Enforcement Priority of Payments;

+ **"Asset Purchaser Principal Receipts"** means items (i), (iii) up to and including (vii) and (ix) of the Asset Purchaser Available Principal Funds, less any amounts received under item (v) to the extent such amounts result from the sale of Mortgage Receivables pursuant to the best efforts obligation of the Asset Purchaser to repay principal under the IC Loans in connection with the redemption of Notes upon exercise of a call-option as set out in the Asset Purchaser Trust Agreement;

+ **"Asset Purchaser Purchase Available Amount"** means (i) on any Mortgage Collection Payment Date, an amount equal to the Asset Purchaser Purchase Netting Available Amount and (ii) on any Monthly Payment Date an amount equal to the relevant Asset Purchaser Principal Available Amount less the Asset Purchaser Pass-through Payable Amount on such Monthly Payment Date;

+ **"Asset Purchaser Purchase Netting Available Amount"** means (i) the Asset Purchaser Principal Receipts in respect of the Relevant Mortgage Receivables received on such Mortgage Collection Payment Date, the proceeds of any IC Loan on such date and the Initial Savings Participation in respect of the Relevant New Mortgage Receivables and Relevant Further Advance Receivables to be purchased on such date, less (ii) the Asset Purchaser Principal Receipts in respect of the Relevant Mortgage Loans received on such Mortgage Collection Payment Date multiplied by the Pass-through Percentage;

+ **"Asset Purchaser Received Amount"** has the meaning ascribed to it in Clause 8.6 of the Asset Purchaser Trust Agreement;

**"Asset Purchaser Revenue Priority of Payments"** means the priority of payments as set out in section 5.9 (*Priority of Payments*) of this Base Prospectus;

**"Asset Purchaser Rights"** means any and all rights of the Asset Purchaser under and in connection

with the Asset Purchaser Mortgage Receivables Purchase Agreement, the Asset Purchaser Swap Agreement, the Asset Purchaser Servicing Agreement, the Asset Purchaser Administration Agreement, the Asset Purchaser Account Agreement and the Asset Purchaser Participation Agreements;

**"Asset Purchaser Rights Pledge Agreement"** means the pledge agreement between, among others, the Asset Purchaser and the Security Trustee dated the Programme Signing Date pursuant to which a right of pledge is created in favour of the Security Trustee over the Asset Purchaser Rights;

**"Asset Purchaser Secured Creditors"** means the Asset Purchaser Director, the Security Trustee Director, the Shareholder Director, the Asset Purchaser Administrator, the Servicer, the Asset Purchaser Swap Counterparty, each Seller, each Insurance Savings Participant, each Bank Savings Participant and the Issuer;

+ **"Asset Purchaser Secured Liabilities"** means in respect of the Asset Purchaser any and all liabilities and moneys (whether actual or contingent), whether principal, interest or otherwise, to the extent such liabilities result in a claim for payment of money ("*geldvordering*"), which are now or may at any time hereafter be due, owing or payable (i) from or by the Asset Purchaser to the Security Trustee resulting from or in connection with the Asset Purchaser Trust Agreement and (ii) from or by the Asset Purchaser to the Security Trustee under or in connection with any of the other Transaction Documents to which it is a party;

\* **"Asset Purchaser Security"** means any and all security interest created pursuant to the Asset Purchaser Pledge Agreements;

**"Asset Purchaser Servicing Agreement"** means the servicing agreement between the Servicer, the Asset Purchaser and the Security Trustee dated the Programme Signing Date;

**"Asset Purchaser Swap Agreement"** means the asset purchaser swap agreement (documented under a 1992 ISDA master agreement, including the schedule thereto, a credit support annex and a confirmation) between the Asset Purchaser, the Asset Purchaser Swap Counterparty and the Security Trustee dated the Programme Signing Date;

**"Asset Purchaser Swap Counterparty"** means ABN AMRO Bank N.V.;

+ **"Asset Purchaser Swap Counterparty Default Payment"** any termination payment due and payable to the Swap Counterparty as a result of (i) an Event of Default where the Asset Purchaser Swap Counterparty is the Defaulting Party or (ii) an Additional Termination Event where the Swap Counterparty is the sole Affected Party, including a Settlement Amount (each as defined in the Asset Purchaser Swap Agreement);

+ **"Asset Purchaser Swap Payment Confirmation"** has the meaning ascribed to it in Clause 10.1 of the Asset Purchaser Administration Agreement;

**"Asset Purchaser Swap Transaction"** means any of the swap transactions entered into under the Asset Purchaser Swap Agreement;

+ **"Asset Purchaser Tax Credit"** means any tax credit, allowance, set-off, refund or repayment from the tax authorities of any jurisdiction obtained by the Asset Purchaser relating to any deduction or withholding giving rise to a payment made by the Asset Purchaser Swap Counterparty in accordance with the Asset Purchaser Swap Agreement, the cash benefit in respect of which shall be paid directly (i.e. outside of the Revenue Priorities of Payments) by the Asset Purchaser to the Asset Purchaser



Swap Counterparty pursuant to the terms of the Asset Purchaser Swap Agreement;

**"Asset Purchaser Transaction Documents"** means the Programme Agreement (including the Master Definitions Schedule), the IC Loan Agreement, the Asset Purchaser Mortgage Receivables Purchase Agreement, the Asset Purchaser Pledge Agreements, the Asset Purchaser Account Agreement, the Asset Purchaser Swap Agreement, the Asset Purchaser Trust Agreement, the Asset Purchaser Beneficiary Waiver Agreement, the Asset Purchaser Insurance Savings Participation Agreements, the Asset Purchaser Bank Savings Participation Agreement, the Asset Purchaser Servicing Agreement, the Asset Purchaser Administration Agreement, the Asset Purchaser Deposit Agreement, the Shareholder Management Agreement, the Security Trustee Management Agreement and the Asset Purchaser Management Agreement;

**"Asset Purchaser Trust Agreement"** means the Asset Purchaser Trust Agreement entered into by, amongst others, the Asset Purchaser and the Security Trustee dated the Programme Signing Date;

+ **"Available Credit Facility"** means, in respect of Revolving Credit Mortgage Loans, the difference between the Revolving Credit Mortgage Loan Limit and the Outstanding Principal Amount or zero, if the facility is terminated pursuant to the terms of the Revolving Credit Mortgage Loan;

+ **"Available Subordinated Amount"** has the meaning ascribed to it in section 4.4 (Issuance Test) of this Base Prospectus in respect of the relevant Class of Notes, other than the Class E Notes;

+ **"Bank Regulations"** means the international, European or Dutch banking regulations, rules and instructions (which includes the solvency regulation on securitisation of the Dutch Central Bank);

**"Bank Savings Account"** means in respect of a Bank Savings Mortgage Loan, a blocked savings account in the name of a Borrower held with the relevant Bank Savings Participant;

**"Bank Savings Deposit"** means, in relation to a Bank Savings Mortgage Loan, the balance standing to the credit of the relevant Bank Savings Account;

**"Bank Savings Mortgage Loan"** means a mortgage loan or part thereof in respect of which the Borrower is not required to repay principal until maturity but instead makes a deposit into the relevant Bank Savings Account on a monthly basis;

**"Bank Savings Mortgage Receivable"** means the Mortgage Receivable resulting from a Bank Savings Mortgage Loan;

**"Bank Savings Participant"** means each of ABN AMRO Bank and Direktbank;

**"Bank Savings Participation"** means, on any Mortgage Calculation Date, in respect of each Bank Savings Mortgage Receivable an amount equal to the Initial Bank Savings Participation in respect of such Bank Savings Mortgage Receivable increased with each Bank Savings Participation Increase up to (and including) the Mortgage Calculation Period immediately preceding such Mortgage Calculation Date, but not exceeding the Outstanding Principal Amount of such Bank Savings Mortgage Receivable;

**"Bank Savings Participation Increase"** means an amount calculated for each Mortgage Calculation Period on the relevant Mortgage Calculation Date by application of the following formula:  $(P \times I) + S$ , whereby:

P = Participation Fraction;  
S = the amount received by the Asset Purchaser pursuant to the Asset Purchaser Bank Savings Participation Agreement on the Mortgage Collection Payment Date immediately succeeding the relevant Mortgage Calculation Date in respect of the relevant Bank Savings Mortgage Receivable from the Bank Savings Participant; and  
I = the amount of interest due by the Borrower on the relevant Bank Savings Mortgage Receivable and actually received by the Asset Purchaser in respect of such Mortgage Calculation Period;

**"Bank Savings Participation Redemption Available Amount"** has the meaning ascribed thereto in section 7.6 (*Asset Purchaser Participation Agreements*) of this Prospectus;

**"Base Prospectus"** means this Base Prospectus relating to the Programme;

+ **"Basel Accord"** means the Basel Capital Accord promulgated by the Basel Committee on Banking Supervision;

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

**"Beneficiary Rights"** means all rights which the relevant Seller has vis-à-vis the relevant Insurance Company in respect of an Insurance Policy, under which the relevant Seller has been appointed by the Borrower / insured as beneficiary ("*begunstigde*") in connection with the relevant Mortgage Receivable;

**"BKR"** means National Credit Register ("*Bureau Krediet Registratie*");

**"Borrower"** means the debtor or debtors, including any jointly and severally liable co-debtor or co-debtors, of a Mortgage Loan;

**"Borrower Insurance Pledge"** means a right of pledge ("*pandrecht*") created in favour of the relevant Originator on the rights of the relevant pledgor against the relevant Insurance Company under the relevant Insurance Policy securing the relevant Mortgage Receivable;

**"Borrower Insurance Proceeds Instruction"** means the irrevocable instruction by the beneficiary under an Insurance Policy to the relevant Insurance Company to apply the insurance proceeds towards repayment of the same debt for which the relevant Borrower Insurance Pledge was created;

**"Borrower Investment Account"** means, in respect of an Investment Mortgage Loan, an investment account in the name of the relevant Borrower;

**"Borrower Pledge"** means a right of pledge ("*pandrecht*") securing the relevant Mortgage Receivable, including a Borrower Insurance Pledge;

**"Business Day"** means (i) when used in the definition of Notes Payment Date and in Condition 4 (*Interest*), (a) in relation to any sum payable in a Specified Currency, a day on which commercial banks and foreign exchange market settle payments in the principal financial center of the country of the relevant Specified Currency, provided such day is a TARGET 2 Settlement Day and (b) a day on which commercial banks and foreign exchange markets settle payments and are generally open for

business (including dealing in foreign exchange and foreign currency deposits) in Amsterdam, Luxembourg, Brussels and London and (ii) in any other case, a day on which banks are generally open for business in Amsterdam;

+ "**CGN**" means a Temporary Global Note in the form set out in Part 2 of Schedule 3 to the Issuer Trust Deed or a Permanent Global Note in the form set out in Part 2 of Schedule 4 to the Issuer Trust Deed, in either case where the applicable Final Terms specify the Notes as being not a New Global Note;

"**Class A Notes**" means the Class A Notes of all Series or, if the context so requires, the Class A Notes of the relevant Series;

"**Class B Notes**" means Class B Notes of all Series or, if the context so requires, the Class B Notes of the relevant Series;

"**Class C Notes**" means Class C Notes of all Series or, if the context so requires, the Class C Notes of the relevant Series;

"**Class D Notes**" means Class D Notes of all Series or, if the context so requires, the Class D Notes of the relevant Series;

"**Class E Notes**" means the Class E Notes of all Series or, if the context so requires, the Class E Notes of the relevant Series;

"**Clearstream, Luxembourg**" means Clearstream Banking, société anonyme;

"**Code of Conduct**" means the Mortgage Code of Conduct (*Gedragscode Hypothecaire Financieringen*) introduced in January 2007 by the Dutch Association of Banks (*Nederlandse Vereniging van Banken*);

+ "**Common Depositary**" means the relevant Common Depositary as indicated in the Applicable Final Terms;

+ "**Common Safekeeper**" means in respect of a Series and Class, or Sub-class thereof, the relevant Common Safekeeper as indicated in the Applicable Final Terms or its successor or successors;

+ "**Common Service Provider**" means in respect of a Series and Class, or Sub-class thereof, the relevant Common Service Provider appointed as common service provider for Euroclear and Clearstream, Luxembourg in respect thereof;

+ "**Competent Authority**" means the competent authority of an EU Member State validly selected by the Issuer in accordance with Article 2.1(m) of the Prospectus Directive;

"**Conditions**" means the terms and conditions of the Notes set out in Schedule 5 to the Issuer Trust Deed as from time to time modified in accordance with the Issuer Trust Deed and, with respect to any Notes represented by a Global Note, as modified by the provisions of the relevant Global Note;

+ "**Confirmation**" has the meaning ascribed to it in the recital to the Asset Purchaser Swap Agreement or, as the case may be, the relevant Issuer Currency Swap Agreement;

**"Coupons"** means the interest coupons appertaining to the Notes;

**"CPR"** means Constant Prepayment Rate;

**"CRD"** means Directives 2006/48/EC and 2006/49/EC, as amended by Directive 2009/111/EC, as the same may be amended from time to time;

**"Credit Rating Agency"** means any credit rating agency (including any successor to its rating business) who, at the request of the Issuer, assigns, and for as long as it assigns, one or more ratings to the Notes, from time to time, which as at the Programme Signing Date includes DBRS, Moody's and S&P;

**"Credit Rating Agency Confirmation"** means, with respect to a matter which requires Credit Rating Agency Confirmation under the Transaction Documents and which has been notified to each Credit Rating Agency with a request to provide a confirmation, receipt by the Security Trustee, in form and substance satisfactory to the Security Trustee, of:

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

+ **"Credit Support Annex"** means the credit support annex to the Asset Purchaser Swap Agreement or the relevant Issuer Currency Swap Agreement;

+ **"Current Escrow List of Mortgage Loans"** means, at any time, a list of all Mortgage Loans held by the Asset Purchaser at such time, stating the same details regarding the Mortgage Loans as required in the definition of Escrow List of Loans;

+ **"Current List of Mortgage Loans"** means, at any time, a list of all Mortgage Loans held by the Asset Purchaser at such time, stating the same details regarding the Mortgage Loans as required in the definition of Mortgage Loans;

**"Current Loan to Original Foreclosure Value Ratio"** means the ratio calculated by dividing the Outstanding Principal Amount of a Mortgage Receivable by the Original Foreclosure Value;

+ "**Current LTOFV-ratio Required Percentage**" means (i) 95 per cent. or (ii) if the Outstanding Principal Amount of all Interest-only Mortgage Loans exceeds 80 per cent. of the Outstanding Principal Amount of all Mortgage Loans with a full per cent. or more, the Current LTOFV-ratio Required Percentage shall be decreased with one per cent. for each full per cent. by which the percentage of the Outstanding Principal Amount of all Interest-only Mortgage Loans exceeds 80 percent. of the Outstanding Principal Amount of all Mortgage Loans;

+ "**Current LTOFV-Trigger Event**" means the event that in respect of Mortgage Loans having an aggregate Outstanding Principal Amount equal to or higher than 2.5 per cent. of the aggregate Outstanding Principal Amount of all Mortgage Loans, amounts which are due and payable have remained unpaid for a period exceeding (90) days;

"**Cut-Off Date**" means in respect of a Mortgage Receivable, the date as of which such Mortgage Receivable is sold to the Asset Purchaser and from which the Asset Purchaser is entitled to the proceeds of such Mortgage Receivable, as set out in the relevant Deed of Sale, Assignment and Pledge;

"**DBRS**" means DBRS Ratings Limited, and includes any successor to its rating business;

"**Dealer**" means ABN AMRO Bank and any other dealer that may be appointed under the Programme;

"**Deed of Sale, Assignment and Pledge**" means a deed of sale, assignment and pledge in the form set out in the Asset Purchaser Mortgage Receivables Purchase Agreement;

"**Defaulted Mortgage Loan**" means a Mortgage Loan (i) under which amounts, which are due and payable, have remained unpaid for a period exceeding ninety (90) days or (ii) in respect of which an instruction has been given to the civil-law notary to commence Foreclosure Procedures;

"**Deferred Purchase Price**" means part of the purchase price for the Mortgage Receivables equal to the sum of all Deferred Purchase Price Instalments;

"**Deferred Purchase Price Instalment**" means, after application of the relevant available amounts in accordance with the relevant Priority of Payments, any amount remaining after all items ranking higher than the item relating to the Deferred Purchase Price have been satisfied;

"**Definitive Notes**" means Notes in definitive bearer form in respect of any Class of Notes;

"**Directors**" means ATC Management B.V. as the sole director of each of the Issuer, the Asset Purchaser and the Shareholder and Amsterdamsch Trustee's Kantoor B.V. as the sole director of the Security Trustee collectively;

+ "**Direktbank**" means Direktbank N.V. a public company ("*naamloze vennootschap*") organised under Dutch law and established in Amersfoort, the Netherlands;

"**DNB**" means the Dutch central bank (*De Nederlandsche Bank N.V.*);

+ "**Dollar**" means the currency of the United States of America;

+ "**Dollar Libor**" has the meaning ascribed to it in Condition 4 (*Interest*);

+ **"Dollar Libor Interest Determination Date"** has the meaning ascribed to it in Condition 4 (*Interest*);

**"DSA"** means the Dutch Securitisation Association;

+ **"Enforcement Available Amount"** means amounts corresponding to the sum of:

- (a) amounts recovered ("*verhaald*") in accordance with section 3:255 of the Dutch Civil Code by the Security Trustee under any of the Pledge Agreements on the Mortgage Receivables and the Beneficiary Rights relating thereto, the Issuer Rights and the Asset Purchaser Rights including, without limitation, amounts recovered under or in connection with Trustee Indemnification, however in respect of Savings Mortgage Receivables, Bank Savings Mortgage Receivables and Hybrid Mortgage Receivables only to the extent such amounts exceed the Participations in such Savings Mortgage Receivables, Bank Savings Mortgage Receivables and Hybrid Mortgage Receivables, and
- (b) any amounts received by the Security Trustee (i) in connection with the Asset Purchaser Parallel Debt and (ii) as creditor in connection with the Trustee Indemnification, less a part pro rata to the proportion of the aggregate Participation in all Savings Mortgage Receivables, Bank Savings Mortgage Receivables and the Hybrid Mortgage Receivables bears to the Outstanding Principal Amount of all Mortgage Receivables;
- (c) any amounts received in connection with (i) the Asset Purchaser Guarantee and (ii) the Issuer Parallel Debt Agreement;

in each case less the sum of (i) any amounts paid by the Security Trustee to the Programme Secured Parties, other than the Participants, pursuant to the Issuer Trust Deed and the Asset Purchaser Trust Agreement and (ii) a part pro rata to the proportion the Enforcement Available Amount bears to the Participation Enforcement Available Amount of any cost, charges, liabilities and expenses (including, for the avoidance of doubt, any costs of the Credit Rating Agencies and any legal advisor, auditor and accountant appointed by the Security Trustee), incurred by the Security Trustee as Security Trustee, in connection with any of the Transaction Documents;

**"Enforcement Date"** means the date of an Enforcement Notice;

**"Enforcement Notice"** means the notice delivered by the Security Trustee to the Issuer pursuant to Condition 10 (*Events of Default*);

**"EONIA"** means the Euro Overnight Index Average as published jointly by the European Banking Federation and ACI/The Financial Market Association;

+ **"Escrow List of Mortgage Loans"** means, on each Mortgage Purchase Date, the list providing the details of the Mortgage Loans as set out in Annex 1 to each Deed of Sale, Assignment and Pledge including (x) the name and address of the Borrower and (y) the address of the Mortgaged Assets, if different from (x), which lists shall be held in escrow by a civil law notary as further set out in Clause 12 of the Asset Purchaser Mortgage Receivables Purchase Agreement;

**"EUR"** or **"euro"** means the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended from time to time;

**"Euribor"** has the meaning ascribed to it in Condition 4 (*Interest*);

+ **"Euribor Interest Determination Date"** has the meaning ascribed to it in Condition 4 (*Interest*);

**"Euroclear"** means Euroclear Bank SA/NV as operator of the Euroclear System;

**"Euroclear Netherlands"** means Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V.;

**"Euronext Amsterdam"** means NYSE Euronext in Amsterdam;

**"Eurosysteem Eligible Collateral"** means collateral recognized as eligible collateral for Eurosysteem monetary policy and intra-day credit operations by the Eurosysteem;

+ **"Eurosysteem-eligible NGN"** means a NGN which is intended to be held in a manner which would allow Eurosysteem eligibility, as stated in the Applicable Final Terms;

**"Events of Default"** means any of the events specified as such in Condition 10 (*Events of Default*);

+ **"Excess Margin"** means in respect of the Asset Purchaser 0.5 per cent. per annum of the sum of (a) the Principal Outstanding Amount of all IC Loans of the Asset Purchaser on the first day of each IC Interest Period in the relevant Floating Rate Interest Period, less (b) any IC Loan Principal Deficiency recorded on the IC Loan Principal Deficiency Ledger on the first day of the relevant Floating Rate Interest Period;

+ **"Excess Swap Collateral"** means, (x) in respect of the date the Asset Purchaser Swap Agreement or any Issuer Currency Swap Agreement is terminated, collateral of a value equal to the amount by which (i) the value of the Credit Support Balance (as defined in the credit support annex forming part of the Asset Purchaser Swap Agreement or any Issuer Currency Swap Agreement) exceeds (ii) the amount owed by the Asset Purchaser Swap Counterparty or any Issuer Currency Swap Counterparty (if any) to the Asset Purchaser or the Issuer pursuant to Section 6(e) of the Asset Purchaser Swap Agreement or any Issuer Currency Swap Agreement, provided that for the purposes of this calculation under this limb (x)(ii) only, the value of the Credit Support Balance (as defined in the credit support annex forming part of the Asset Purchaser Swap Agreement or any Issuer Currency Swap Agreement) shall be deemed to be zero and (y) in respect of any other valuation date under the Asset Purchaser Swap Agreement or any Issuer Currency Swap Agreement, collateral of a value equal to the amount by which the value of collateral transferred to the Asset Purchaser or the Issuer by the Asset Purchaser Swap Counterparty or any Issuer Currency Swap Counterparty and accrued exceeds the value of the Asset Purchaser Swap Counterparty or any Issuer Currency Swap Counterparty's collateral posting requirements under the credit support annex forming part of the Asset Purchaser Swap Agreement or any Issuer Currency Swap Agreement on such date;

**"Exchange Date"** means the date, not earlier than forty (40) days after the issue date of the Notes on which interests in the Temporary Global Notes will be exchangeable for interests in the Permanent Global Notes;

+ **"Exchange Event"** has the meaning ascribed to it in section 4.2 (*Form*) of this Base Prospectus;

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

+ **"Facility"** means the credit facility provided by the Issuer to the Asset Purchaser under the IC Loan

Agreement;

**"Final Maturity Date"** means in respect of a Series and Class or Sub-class of Notes, the Final Maturity Date set out in the Applicable Final Terms;

**"Final Terms"** means any duly completed final terms in the form as set out in section 4.3 (*Final Terms*) of this Base Prospectus;

**"First Optional Redemption Date"** means, in respect of the Notes of a Series and Class or Sub-class, the Notes Payment Date listed as first optional redemption date in the Applicable Final Terms;

+ **"Fixed Rate Interest Amount"** has the meaning ascribed to it in Condition 4 (*Interest*);

**"Fixed Rate Interest Period"** has the meaning ascribed to it in Condition 4 (*Interest*);

+ **"Fixed Rate Interest Payment Date"** means the date specified as such in the Applicable Final Terms;

**"Fixed Rate Notes"** means the Notes specified as such in the Applicable Final Terms;

**"Fixed Rate of Interest"** has the meaning ascribed to it in Condition 4 (*Interest*);

+ **"Floating Rate Interest Amount"** has the meaning ascribed to it in Condition 4 (*Interest*);

**"Floating Rate Interest Period"** has the meaning ascribed to it in Condition 4 (*Interest*);

**"Floating Rate Notes"** means the Notes specified as such in the Applicable Final Terms;

**"Floating Rate of Interest"** has the meaning ascribed to it in Condition 4 (*Interest*);

+ **"Foreclosure Procedures"** means the procedures for the enforcement of, or the making of claims in respect of, Mortgage Loans and Mortgages set out in the foreclosure procedures of the relevant Seller current from time to time and subject to the provisions of Clause 8 of the Asset Purchaser Servicing Agreement;

**"Foreclosure Value"** means the foreclosure value of the Mortgaged Asset;

**"Further Advance"** means a loan or a further advance to be made to a Borrower under a Mortgage Loan, which is secured by the same Mortgage;

**"Further Advance Receivable"** means the Mortgage Receivable resulting from a Further Advance;

+ **"General Banking Conditions"** means the general banking conditions of the relevant Account Bank in the form in which they have presently been deposited by the Netherlands Banking Association ("*Nederlandse Vereniging van Banken*") with the clerk of the District Court of Amsterdam;

**"Global Note"** means any Temporary Global Note or Permanent Global Note;



+ **"Higher Ranking Class"** means, in relation to any Class of Notes, each Class of Notes which has not been previously redeemed or written off in full and which ranks higher in priority to it in the Issuer Revenue Priority of Payments;

**"Hybrid Mortgage Loan"** means any Mortgage Loan or part thereof that is in the form of hybrid mortgage loan offered by the relevant Originator, under which loan the Borrower does not pay principal towards redemption of the principal amount outstanding prior to the maturity but instead takes out a Savings Investment Insurance Policy;

**"Hybrid Mortgage Receivable"** means a Mortgage Receivable resulting from a Hybrid Mortgage Loan;

**"IC Loan"** means any advance of moneys granted by the Issuer to the Asset Purchaser under the IC Loan Agreement pursuant to a Utilisation Request;

**"IC Loan Agreement"** means the intercompany loan agreement between the Issuer, the Security Trustee and the Asset Purchaser dated the Programme Signing Date;

+ **"IC Loan Agreement Rights Supplemental Deed of Pledge"** means the IC Loan Agreement Rights Supplemental Deed of Pledge in the form attached as Schedule 1 to the Issuer Rights Pledge Agreement;

+ **"IC Loan Costs"** means, with respect to a Notes Payment Date, the amounts due by the Issuer on that Notes Payment Date under items (a) to (c) inclusive of the Issuer Revenue Priority of Payments;

+ **"IC Loan Events of Default"** means any event referred to in section 5.7 (*IC Loan Agreement*) of this Base Prospectus;

+ **"IC Loan Final Maturity Date"** has the meaning ascribed to it in section 5.7 (*IC Loan Agreement*) of this Base Prospectus;

+ **"IC Loan Interest"** means, on a Notes Payment Date, prior to the delivery of an Enforcement Notice, an amount equal to (a) the amounts due by the Issuer on this Notes Payment Date under items (e) to (m) (inclusive) excluding items (f), (h), (j) and (l) of the Issuer Revenue Priority of Payments and, furthermore, excluding any interest accrued due but unpaid on the Notes, but including interest accrued in the relevant Floating Rate Interest Period on such accrued due but unpaid interest on the Notes, whereby any amounts due in respect of a Note which is denominated in a Specified Currency other than euro shall be converted into euro in accordance with the applicable Specified Notes Exchange Rate, less (b) any interest actually received on the Issuer Accounts in the Notes Calculation Period immediately preceding such Notes Payment Date and (c) less any interest actually received on all Subordinated Loans on such Notes Payment Date and, after the delivery of an Enforcement Notice, the most recently determined IC Loan Interest;

+ **"IC Loan Interest Deficiency Ledger"** means the interest deficiency ledger relating to the IC Loans;

+ **"IC Loan Principal Deficiency"** means the amount standing to the balance of the IC Loan Principal Deficiency Ledger on such day;

+ **"IC Loan Principal Deficiency Ledger"** means the principal deficiency ledger relating to the IC Loans;

+ **"Indemnification"** has the meaning ascribed to it in the Asset Purchaser Mortgage Receivables Purchase Agreement;

**"Indexed Foreclosure Value"** means the value calculated by indexing the Original Foreclosure Value with a property price index (weighted average of houses and apartments prices), as provided by the Land Registry or NVM for the province where the property is located;

**"Initial Bank Savings Participation"** means the sum of the Monthly Bank Savings Deposit Instalments received by the Bank Savings Participant with accrued interest up to the Cut-off Date;

**"Initial Insurance Savings Participation"** means, (a) in respect of the Savings Mortgage Receivables and Hybrid Mortgage Receivables, in which the Insurance Savings Participants other than the Sellers participate, an amount equal to the Savings Premium received by the Insurance Savings Participant with accrued interest up to the Cut-off Date and (b) in respect of the Savings Mortgage Receivables and Hybrid Mortgage Receivables in which any of the Sellers participates, an amount equal to the Savings Premium received by the Insurance Companies with accrued interest up to the relevant Cut-Off Date;

**"Initial Purchase Price"** means, in respect of any Mortgage Receivable, its Outstanding Principal Amount on the relevant Cut-Off Date;

**"Initial Savings Participation"** means an Initial Bank Savings Participation and/or an Initial Insurance Savings Participation;

**"Insurance Company"** means any insurance company established in the Netherlands;

**"Insurance Policy"** means a Life Insurance Policy, Risk Insurance Policy, Savings Insurance Policy and Savings Investment Insurance Policy;

**"Insurance Savings Participants"** means (i) ASR Levensverzekering N.V. in respect of Savings Mortgage Receivables and Hybrid Mortgage Receivables to which a Savings Insurance Policy or a Savings Investment Insurance Policy is connected with ASR Levensverzekering N.V. and (ii) in respect of all other Savings Mortgage Receivables and Hybrid Mortgage Receivables, the relevant Seller which has sold the relevant Savings Mortgage Receivable or Hybrid Mortgage Receivable, as applicable;

**"Insurance Savings Participation"** means, on any Mortgage Calculation Date, in respect of each Savings Mortgage Receivable and each Hybrid Mortgage Receivable an amount equal to the Initial Insurance Savings Participation in respect of such Savings Mortgage Receivable or Hybrid Mortgage Receivable increased with the Insurance Savings Participation Increase up to (and including) the Mortgage Calculation Period immediately preceding such Mortgage Calculation Date, but not exceeding the Outstanding Principal Amount of such Savings Mortgage Receivable or Hybrid Mortgage Receivable;

**"Insurance Savings Participation Increase"** means an amount calculated for each Mortgage Calculation Period on the relevant Mortgage Calculation Date by application of the following formula:  $(P \times I) + S$ , whereby:

P = Participation Fraction;

S = the amount received by the Asset Purchaser pursuant to the Asset Purchaser Insurance Savings Participation Agreement on the Mortgage Collection Payment Date immediately succeeding the relevant Mortgage Calculation Date in respect of the relevant Savings Mortgage Receivable or the

relevant Hybrid Mortgage Receivable from the Insurance Savings Participant; and

I = the amount of interest due by the Borrower on the relevant Savings Mortgage Receivable or the relevant Hybrid Mortgage Receivable and actually received by the Asset Purchaser in respect of such Mortgage Calculation Period;

**"Insurance Savings Participation Redemption Available Amount"** has the meaning ascribed thereto in section 7.6 (*Asset Purchaser Participation Agreements*) of this Base Prospectus;

+ **"Interest Deficiency Ledger"** means the interest deficiency ledger relating to the relevant Class of Notes and comprising of sub-ledgers for each such Class of Notes;

+ **"Interest Determination Date"** has the meaning ascribed to it in Condition 4 (*Interest*);

+ **"Interest Discount Payment"** means, on any Notes Payment Date, the amount by which the Issuer Available Revenue Funds exceeds the Issuer Revenue Payable Amount on such Notes Payment Date;

**"Interest-only Mortgage Loan"** means a mortgage loan or part thereof in respect of which the Borrower is not required to repay principal until maturity;

**"Interest-only Mortgage Receivable"** means the Mortgage Receivable resulting from an Interest-only Mortgage Loan;

**"Investment Mortgage Loan"** means a mortgage loan or part thereof in respect of which the Borrower is not required to repay principal until maturity, but undertakes to invest defined amounts through a Borrower Investment Account;

**"Investment Mortgage Receivable"** means the Mortgage Receivable resulting from an Investment Mortgage Loan;

**"Issuance Test"** has the meaning ascribed to it in section 4.4 (*Issuance Test*) of this Base Prospectus;

**"Issue Date"** means, in respect of a Series and Class, or Sub-class of Notes, the date on which such Notes have been or will be issued as set out in the Applicable Final Terms;

**"Issuer"** means Dolphin Master Issuer B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under Dutch law and established in Amsterdam;

**"Issuer Account Agreement"** means the issuer account agreement between the Issuer, the Security Trustee and the Issuer Account Bank dated the Programme Signing Date;

**"Issuer Account Bank"** means ABN AMRO Bank;

**"Issuer Accounts"** means any of the Issuer Transaction Accounts;

**"Issuer Accounts Balances"** means, at any day, the balances on each of the Issuer Accounts at the close of business of such day;

**"Issuer Administration Agreement"** means the administration agreement between the Issuer, the Issuer Administrator and the Security Trustee dated the Programme Signing Date;

**"Issuer Administrator"** means ABN AMRO Hypotheken Groep B.V.;

**"Issuer Available Principal Funds"** has the meaning ascribed thereto in section 5.1 (*Available Funds*) of this Base Prospectus;

**"Issuer Available Revenue Funds"** has the meaning ascribed thereto in section 5.1 (*Available Funds*) of this Base Prospectus;

**"Issuer Collection Account"** means the bank account of the Issuer designated as such in the Issuer Account Agreement;

**"Issuer Collection Account Balance"** means, at any day, the balance on the Issuer Collection Account at the close of business on such day;

**"Issuer Collection Account Interest"** means, in respect of a Notes Calculation Period, the interest accrued on the Issuer Collection Account during such period;

**"Issuer Currency Swap Agreement"** means any currency swap agreement (documented under a 1992 ISDA master agreement, including the schedule thereto, a credit support annex and a confirmation) between the Issuer, the relevant Issuer Currency Swap Counterparty and the Security Trustee;

+ **"Issuer Currency Swap Counterparty"** means the relevant issuer currency swap counterparty as set out in the Applicable Final Terms;

+ **"Issuer Currency Swap Counterparty Default Payment"** means any termination payment due and payable to any Issuer Currency Swap Counterparty as a result of (i) an Event of Default where the relevant Issuer Currency Swap Counterparty is the Defaulting Party or (b) an Additional Termination Event where the relevant Issuer Currency Swap Counterparty is the sole Affected Party (each as defined in the relevant Issuer Currency Swap Agreement);

+ **"Issuer Currency Swap Payment Confirmation"** has the meaning ascribed to it in Clause 8.2 of the Issuer Administration Agreement;

+ **"Issuer Currency Swap Rights Supplemental Deed of Pledge"** means the relevant Issuer Currency Swap Rights Supplemental Deed of Pledge in the form attached as Schedule 2 to the Issuer Rights Pledge Agreement;

+ **"Issuer Currency Swap Undertaking Letter"** means the issuer currency swap undertaking letter entered into between the Issuer and the Security Trustee;

+ **"Issuer Deductible Amount"** has the meaning ascribed to it in Clause 2.6 of the Issuer Parallel Debt Agreement;

**"Issuer Director"** means ATC Management B.V. or its successor or successors;

+ **"Issuer Expenses"** means, with respect to a Notes Payment Date, (a) the fees or other

remuneration due and payable to the Issuer Director, the Security Trustee Director and the Shareholder Director in connection with the Issuer Management Agreement, the Security Trustee Management Agreement and the Shareholder Management Agreement and any costs, charges, liabilities and expenses incurred by the Security Trustee under or in connection with any of the Issuer Transaction Documents to the extent not paid by the Asset Purchaser on such date, (b) the administration fees and expenses due and payable to the Issuer Administrator under the Issuer Administration Agreement, (c) (i) any amounts due and payable to third parties under obligations incurred in the Issuer's business (other than under the Issuer Transaction Documents), including, without limitation, in or towards satisfaction of sums due or provisions for any payment of the Issuer's liability, if any, to tax and the fees and expenses of the Credit Rating Agencies and any legal advisor, auditor and accountant appointed by the Issuer or the Security Trustee and (ii) fees and expenses due to the Principal Paying Agent, the Paying Agent and the Reference Agent under the Paying Agency Agreement;

+ **"Issuer Interest Deficiency Ledger"** means the interest deficiency ledger held by the Issuer relating to the relevant Classes of the Notes and comprising sub-ledgers for each Class of Notes;

**"Issuer Management Agreement"** means the issuer management agreement between the Issuer, the Issuer Director and the Security Trustee dated the Programme Signing Date;

**"Issuer Parallel Debt"** has the meaning ascribed thereto in section 4.10 of this Base Prospectus;

**"Issuer Parallel Debt Agreement"** means the issuer parallel debt agreement between, amongst others, the Issuer, the Security Trustee and the Issuer Secured Creditors (other than the Noteholders) dated the Programme Signing Date;

**"Issuer Pass-through Notes Principal Available Amount"** has the meaning ascribed thereto in section 5.1 (*Available Funds*) of this Base Prospectus;

+ **"Issuer Payment Obligations"** has the meaning ascribed to it in Clause 2.1 of the Issuer Parallel Debt Agreement;

**"Issuer Pledge Notification Event"** means any of the events specified in Clause 5 of the Issuer Rights Pledge Agreement;

**"Issuer Post-Trigger Event Redemption Priority of Payments"** means the priority of payments as set out in section 5.2 (*Priority of Payments*) of this Base Prospectus;

+ **"Issuer Pre-Funded Account"** means the bank account of the Issuer designated as such in the Issuer Account Agreement;

+ **"Issuer Pre-Funded Account Balance"** means, at any day, the balance on the Pre-Funded Account at the close of business on such day;

+ **"Issuer Pre-Funded Amount"** means at any day, the balance standing to the credit of the Issuer Pre-Funded Account at the close of business on such day;

**"Issuer Pre-Trigger Event Redemption Priority of Payments"** means the priority of payments as set out in section 5.2 (*Priority of Payments*) of this Base Prospectus;

**"Issuer Principal Deficiency"** means the debit balance, if any, of the relevant Issuer Principal

Deficiency Ledger;

**"Issuer Principal Deficiency Ledger"** means the principal deficiency ledger held by the Issuer relating to the relevant Classes of Notes and comprising sub-ledgers for each such Class of Notes;

**"Issuer Principal Shortfall"** means an amount equal to the balance of the Issuer Principal Deficiency Ledger of the relevant Class divided by the number of Notes of the relevant Class of Notes on the relevant Notes Payment Date;

**"Issuer Priority of Payments"** means any of the Issuer Pre-Trigger Event Redemption Priority of Payments, Issuer Revenue Priority of Payments and Issuer Post-Trigger Event Redemption Priority of Payments;

+ **"Issuer Received Amount"** has the meaning ascribed to it in Clause 2.6 of the Issuer Parallel Debt Agreement;

**"Issuer Reserve Account"** means the bank account of the Issuer designated as such in the Issuer Account Agreement;

**"Issuer Reserve Account Balance"** means, at any day, the balance standing to the credit of the Issuer Reserve Account at the close of business on such day;

+ **"Issuer Revenue Payable Amount"** means, on any Notes Payment Date, the amount payable on the relevant Notes Payment Date under items (a) up to and including to (o) of the Issuer Revenue Priority of Payments;

**"Issuer Revenue Priority of Payments"** means the priority of payments set out in section 5.2 (*Priority of Payments*) of this Base Prospectus;

**"Issuer Rights"** means any and all rights of the Issuer under and in connection with the means IC Loan Agreements, the Issuer Account Agreement, the Issuer Currency Swap Agreement and the Issuer Administration Agreement;

**"Issuer Rights Pledge Agreement"** means the pledge agreement between, among others, the Issuer and the Security Trustee dated the Programme Signing Date pursuant to which a right of pledge is created in favour of the Security Trustee over the Issuer Rights;

**"Issuer Secured Creditors"** means (a) the Noteholders, (b) the Issuer Director, Shareholder Director and the Security Trustee Director, (c) the Issuer Administrator, (d) the Paying Agents, (e) the Reference Agent and (f) any Issuer Currency Swap Counterparty;

+ **"Issuer Secured Liabilities"** means any and all liabilities and moneys (whether actual or contingent), whether principal, interest or otherwise, to the extent such liabilities result in a claim for payment of money ("*geldvordering*"), which are now or may at any time hereafter be due, owing or payable (i) from or by the Issuer to the Security Trustee resulting from or in connection with the Issuer Parallel Debt Agreement and (ii) from or by the Issuer to the Security Trustee under or in connection with any of the other Transaction Documents, but, for the avoidance of doubt, excluding any claims any third party may have (including but not limited to the Asset Purchaser) on the Issuer as a result of subrogation or other means of transfer of the claims of the Security Trustee set out under (i) and (ii) above on the Issuer;

**"Issuer Security"** means any and all security interest created pursuant to the Issuer Rights Pledge Agreement;

**"Issuer Tax Credit"** means any tax credit, allowance, set-off, refund or repayment from the tax authorities of any jurisdiction obtained by the Issuer relating to any deduction or withholding giving rise to a payment made by the Issuer Currency Swap Counterparty in accordance with the Issuer Currency Swap Agreement, the cash benefit in respect of which shall be paid directly (i.e. outside of the Priority of Payments) by the Issuer to the Issuer Currency Swap Counterparty pursuant to the terms of the Issuer Currency Swap Agreement;

**"Issuer Transaction Account"** means any of the Issuer Collection Account, the Issuer Pre-Funded Account, and the Issuer Reserve Account;

**"Issuer Transaction Documents"** means the Programme Agreement (including the Master Definitions Schedule), the Issuer Rights Pledge Agreement, any Issuer Currency Swap Agreements, the Issuer Currency Swap Undertaking Letter, the IC Loan Agreement, the Issuer Trust Deed, the Issuer Parallel Debt Agreement, the Notes Purchase Agreements, the Paying Agency Agreement, the Issuer Account Agreement and the Issuer Administration Agreement, the Shareholder Management Agreement, the Security Trustee Management Agreement and the Issuer Management Agreement;

**"Issuer Trust Deed"** means the issuer trust deed entered into by, amongst others, the Issuer and the Security Trustee dated the Programme Signing Date;

+ **"JPY Libor"** has the meaning ascribed to it in Condition 4 (*Interest*);

+ **"JPY Libor Interest Determination Date"** has the meaning ascribed to it in Condition 4 (*Interest*);

+ **"Joint Security Rights Agreement"** has the meaning ascribed to it in section 2 (*Risk Factors*) of this Base Prospectus;

**"Land Registry"** means the Dutch land registry (*het Kadaster*);

+ **"Libor"** has the meaning ascribed to it in Condition 4 (*Interest*);

+ **"Libor Interest Determination Date"** has the meaning ascribed to it in Condition 4 (*Interest*);

**"Life Insurance Policy"** means an insurance policy taken out by any Borrower comprised of a risk insurance element and a capital insurance element which pays out a certain amount on an agreed date or, if earlier, upon the death of the insured life;

**"Life Mortgage Loan"** means a mortgage loan or part thereof in respect of which the Borrower is not required to repay principal until maturity, but instead pays on a monthly basis a premium to the relevant Insurance Company;

**"Life Mortgage Receivable"** means the Mortgage Receivable resulting from a Life Mortgage Loan;

**"Linear Mortgage Loan"** means a mortgage loan or part thereof in respect of which the Borrower each month pays a fixed amount of principal towards redemption of such mortgage loan (or relevant part thereof) until maturity;

**"Linear Mortgage Receivable"** means the Mortgage Receivable resulting from a Linear Mortgage Loan;

**"List of Mortgage Loans"** means, on each Mortgage Purchase Date, a list providing the details of the Mortgage Loans as set out in Annex 1 to each Deed of Sale, Assignment and Pledge;

**"Listing Agent"** has the meaning ascribed to it in the Conditions;

+ **"Loan Files"** means the file or files relating to each Mortgage Loan containing *inter alia* (i) all material correspondence relating to that Mortgage Loan; and (ii) a certified copy of the mortgage deed;

+ **"Local Business Day"** has the meaning ascribed to it in the Conditions;

+ **"Loss Rate"** has the meaning ascribed to it in section 5.9 (*Priority of Payments*) of this Base Prospectus;

**"Management Agreement"** means any of (i) the Issuer Management Agreement, (ii) the Asset Purchaser Management Agreement (iii) the Shareholder Management Agreement and (iv) the Security Trustee Management Agreement;

**"Manager"** means in respect of the issue of a Series and Class or Sub-Class, the managers appointed as Manager in respect of such Series and Class, or Sub-Class;

**"Master Definitions Schedule"** means the master definitions schedule attached to the Programme Agreement;

+ **"Meeting"** means a meeting of Noteholders of all Series of a Class or of one or more Series and Class or Classes or Sub-Class or Sub-Classes, as the case may be;

+ **"Minimum Credit Ratings"** means a credit rating of (i) the Class A Notes of at least 'AAA (sf)' by S&P, 'Aaa (sf)' by Moody's and 'AAA (sf)' by DBRS, (ii) the Class B Notes of at least 'AA (sf)' by S&P, 'Aa3 (sf)' by Moody's and 'AA (sf)' by DBRS, (iii) the Class C Notes of at least A by S&P, 'A2 (sf)' by Moody's and 'A (sf)' by DBRS, (iv) the Class D Notes of at least 'Baa2 (sf)' by Moody's and 'BBB (sf)' by DBRS;

+ **"Monthly Bank Savings Deposit Instalments"** means the monthly deposit in the relevant Bank Savings Account paid by the Borrower;

+ **"Monthly Calculation Date"** means, in relation to a Monthly Payment Date, the third Business Day prior to the relevant Monthly Payment Date;

**"Monthly Payment Date"** means the 28<sup>th</sup> day of each month, or, if such day is not a Business Day, the next succeeding Business Day, unless such Business Day falls in the next succeeding calendar month in which event the Business Day immediately preceding such day;

**"Moody's"** means Moody's Investors Service Ltd., and includes any successor to its rating business;

**"Mortgage"** means a mortgage right ("*hypotheekrecht*") securing the relevant Mortgage Receivables;

**"Mortgage Calculation Date"** means, in relation to a Mortgage Collection Payment Date, the third



Business Day prior to such Mortgage Collection Payment Date;

**"Mortgage Calculation Period"** means the period commencing on (and including) the first day of each calendar month and ending on (and including) the last day of such calendar month;

**"Mortgage Collection Payment Date"** means the sixth Business Day following the fifth calendar day of each calendar month;

**"Mortgage Conditions"** means the terms and conditions applicable to a Mortgage Loan, as set forth in the relevant mortgage deed and/or in any loan document, offer document or any other document, including any applicable general terms and conditions for mortgage loans as amended or supplemented from time to time;

+ **"Mortgage Interest Rates"** means the rate(s) of interest from time to time chargeable to Borrowers under the Mortgage Loans;

+ **"Mortgage Loan Amendment"** means the amendment of the terms of the Mortgage Loan, including the Revolving Credit Mortgage Loan, to which the relevant Seller agrees with a Borrower as a result of which such Mortgage Loan does no longer meet the Mortgage Loan Criteria or the representations and warranties set forth in the Asset Purchaser Mortgage Receivables Purchase Agreement;

**"Mortgage Loan Criteria"** means the criteria relating to the Mortgage Loans set forth as such in section 7.3 of this Base Prospectus;

**"Mortgage Loan Services"** means the services to be provided by the Servicer to the Asset Purchaser and the Security Trustee with respect to the Mortgage Loans, as set out in the Asset Purchaser Servicing Agreement;

**"Mortgage Loans"** means, after any purchase and assignment of any New Mortgage Receivables and Further Advance Receivables has taken place in accordance with the Asset Purchaser Mortgage Receivables Purchase Agreement, the mortgage loans granted by the relevant Seller or the relevant Originator to the relevant borrowers which may consist of one or more loan parts ("*leningdelen*") as set forth in the List of Mortgage Loans and, in respect of revolving credit mortgage loans after the first purchase of the New Mortgage Receivables, in the Revolving Credit Mortgage Receivables List, providing the details as described in the Deed of Sale, Assignment and Pledge, to the extent not retransferred or otherwise disposed of to the Asset Purchaser;

**"Mortgage Purchase Date"** means each Mortgage Collection Payment Date and Monthly Payment Date;

**"Mortgage Receivable"** means any and all rights of the relevant Seller (and after assignment of such rights to the Asset Purchaser, of the Asset Purchaser) against the Borrower under or in connection with a Mortgage Loan, including any and all claims of the Seller (or the Asset Purchaser after assignment) on the Borrower as a result of the Mortgage Loan being terminated, dissolved or declared null and void;

+ **"Mortgage Report"** means each monthly mortgage report given by the Servicer to the Asset Purchaser, the Security Trustee, the Asset Purchaser Administrator, the Issuer, the Sellers and the Participants in the form set out in Schedule 2 to the Asset Purchaser Servicing Agreement;

**"Mortgaged Asset"** means (i) a real property (*onroerende zaak*), (ii) an apartment right (*appartementsrecht*) or (iii) a long lease (*erfpachtsrecht*) situated in the Netherlands on which a

Mortgage is vested;

+ **"Most Senior Class"** means such Class of Notes which has not been previously redeemed or written off in full and which ranks higher in priority than any other Class of Notes in the Issuer Revenue Priority of Payments;

**"Net Foreclosure Proceeds"** means (i) the proceeds of a foreclosure on a Mortgage, (ii) the proceeds of foreclosure on any other collateral securing the relevant Mortgage Receivable, (iii) the proceeds, if any, of collection of any insurance policy in connection with the relevant Mortgage Receivable, including fire insurance policy and Insurance Policy, (iv) the proceeds of any guarantees or sureties and (v) the proceeds of foreclosure on any other assets of the relevant Borrower, in each case after deduction of foreclosure costs in respect of such Mortgage Receivable;

+ **"New IC Loan Report"** has the meaning ascribed to it in Clause 6.2 of the Issuer Administration Agreement;

**"New Mortgage Loan"** means a mortgage loan granted by the relevant Seller or Originator to the relevant borrower, which may consist of one or more loan parts (*lendingdelen*) as set forth in the List of Mortgage Loans;

**"New Mortgage Receivable"** means the Mortgage Receivable resulting from a New Mortgage Loan;

+ **"NGN"** means a Temporary Global Note in the form set out in Part 1 of Schedule 3 to the Issuer Trust Deed or a Permanent Global Note in the form set out in Part 1 of Schedule 4 to the Issuer Trust Deed, in either case where the applicable Final Terms specifies the Note as being in NGN form;

**"Noteholders"** means the persons who for the time being are the holders of the Notes;

**"Notes"** means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes;

**"Notes Calculation Date"** means, in relation to a Notes Payment Date, the third Business Day prior to such Notes Payment Date;

+ **"Notes Calculation Date Information Report"** has the meaning ascribed to it in Clause 6.2 of the Issuer Administration Agreement;

**"Notes Calculation Period"** means, in relation to a Notes Calculation Date, the three successive Mortgage Calculation Periods immediately preceding such Notes Calculation Date;

**"Notes Clean-up Call Option"** means the right of the Issuer to redeem all of the Notes of a Series and Class or Sub-class in accordance with Condition 6(e) (*Redemption and purchase*);

**"Notes Payment Date"** means the 28<sup>th</sup> day of March, June, September and December or if otherwise indicated in the Applicable Final Terms the months indicated in the Applicable Final Terms, of each year or, if such day is not a Business Day, the immediately succeeding Business Day unless it would as a result fall in the next calendar month, in which case it will be the Business Day immediately preceding such day;

**"Notes Purchase Agreement"** means the notes purchase agreement between the Managers relating to the relevant Series and Class or Sub-class of Notes, the Issuer, the Asset Purchaser and the Sellers

dated the relevant Issue Date;

**"Notification Event"** means any of the Issuer Pledge Notification Events, the Asset Purchaser Assignment Notification Events and the Asset Purchaser Pledge Notification Events;

**"NVM"** means the Dutch Association of Real Estate Brokers and Immovable Property Experts (*Nederlandse Vereniging van Makelaars en vastgoeddeskundigen*);

+ **"Oosteroever Hypotheken"** means Oosteroever Hypotheken B.V., a private company with limited liability (*"besloten vennootschap met beperkte aansprakelijkheid"*) organised under Dutch law and established in Rotterdam, the Netherlands;

**"Optional Redemption Date"** means any Notes Payment Date from (and including) the First Optional Redemption Date up to (and excluding) the Final Maturity Date;

**"Original Foreclosure Value"** means the Foreclosure Value as assessed by the relevant Originator at the time of granting the Mortgage Loan;

**"Originator"** means the relevant originator of a Mortgage Loan;

**"Other Claim"** means any claim the Seller or Originator has against the Borrower, other than a Mortgage Receivable, which is secured by the Mortgage and/or Borrower Pledge;

**"Outstanding Principal Amount"** means, at any moment in time, (i) the outstanding principal amount of a Mortgage Receivable at such time and (ii), after a Realised Loss in respect of such Mortgage Receivable having occurred, zero;

**"Participants"** means each of the Bank Savings Participants and the Insurance Savings Participants;

**"Participation"** means, in respect of each Savings Mortgage Receivable and each Hybrid Mortgage Receivable, the Insurance Savings Participation and in respect of each Bank Savings Mortgage Receivable, the Bank Savings Participation;

+ **"Participation Enforcement Available Amount"** means amounts corresponding to the sum of:

- (a) amounts equal to the Participation in each Savings Mortgage Receivable, Hybrid Mortgage Receivable and Bank Savings Mortgage Receivable or if the amount recovered is less than the Insurance Savings Participation, an amount equal to the amount actually recovered, including, without limitation, amounts recovered in connection with the Trustee Indemnification; and
- (b) part of any amounts received by the Security Trustee (i) in connection with the Asset Purchaser Parallel Debt and (ii) as creditor in connection with the Trustee Indemnification, whereby the relevant part will be equal to a part pro rata to the proportion the aggregate Participation in all Savings Mortgage Receivables, Hybrid Mortgage Receivables and Bank Savings Mortgage Receivables bears to the Outstanding Principal Amount of all Mortgage Receivables;

in each case less the sum of (i) any amount paid by the Security Trustee to Participants pursuant to the Issuer Trust Deed and the Asset Purchaser Trust Agreement and (ii) a part pro rata to the proportion the Participation Enforcement Available Amount bears to the Enforcement Available

Amount or the Asset Purchaser Enforcement Available Amount, as applicable, of any cost, charges, liabilities and expenses (including, for the avoidance of doubt, any costs of the Credit Rating Agencies and any legal advisor, auditor and accountant appointed by the Security Trustee), incurred by the Security Trustee, whether in its capacity as guarantor or as Security Trustee, in connection with any of the Transaction Documents;

+ "**Participation Fraction**" means in respect of each Savings Mortgage Receivable, Hybrid Mortgage Receivable and Bank Savings Mortgage Receivable, a number equal to the relevant Participation on the first day of the relevant Mortgage Calculation Period divided by the Outstanding Principal Amount of such Savings Mortgage Receivable, Hybrid Mortgage Receivable or Bank Savings Mortgage Receivable on the first day of the relevant Mortgage Calculation Period;

+ "**Pass-through Notes**" means, on any date, (i) the Notes listed as such in the Applicable Final Terms or (ii) after the First Optional Redemption Date, the Notes specified as Soft-bullet Notes in the Applicable Final Terms relating to such Notes;

+ "**Pass-through Percentage**" means on any Monthly Payment Date or any Mortgage Collection Payment Date the Principal Amount Outstanding of all Pass-through Notes (excluding, for the avoidance of doubt, the Class E Notes) on such date, less any amount remaining on the Issuer Principal Deficiency Ledger to the extent attributable to the Pass-through Notes (excluding, for the avoidance of doubt, the Class E Notes), divided by the Principal Amount Outstanding of all Notes (excluding the Class E Notes) on such date, less any amount remaining on the Issuer Principal Deficiency Ledger on such date (for the avoidance of doubt, prior to giving effect to any issuance or repayment on such date, but after the application of the Issuer Revenue Priority of Payments);

+ "**Pass-through Notes Principal Redemption Amount**" has the meaning ascribed thereto in Condition 6 (*Redemption and Purchase*) in respect of the relevant Class of Notes, other than the Class E Notes;

+ "**Pass-through Notes Redemption Available Amount**" has the meaning ascribed thereto in section 5.1 (*Available Funds*) of this Base Prospectus in respect of the relevant Class of Notes, other than the Class E Notes;

"**Paying Agency Agreement**" means the paying agency agreement between the Issuer, the Paying Agents, the Reference Agent and the Security Trustee dated the Programme Signing Date;

"**Paying Agent**" means the agent appointed as paying agent and/or its successor or successors;

"**Paying Agents**" means the Principal Paying Agent and the Paying Agent, collectively;

+ "**Performance Report**" has the meaning ascribed to it in the Asset Purchaser Servicing Agreement;

"**Performing Mortgage Loan Services**" means the services to be provided by the Servicer to the Asset Purchaser and the Security Trustee with respect to the Mortgage Loans other than the Mortgage Loans in arrears, as set out in the Asset Purchaser Servicing Agreement;

"**Permanent Global Note**" means a permanent global note in respect of a Class or Sub-class of Notes;

"**Pledge Agreements**" means the Issuer Rights Pledge Agreement and all Asset Purchaser Pledge Agreements;

+ **"Policy Switch"** means in respect of a Hybrid Mortgage Loan, a switch of the Savings Premium accumulated in the savings part of the Savings Investment Insurance Policy into another eligible investment under the Hybrid Mortgage Loan;

+ **"Portfolio Review Event"** has the meaning ascribed to it in section 7.4 (*Portfolio Conditions*) of this Base Prospectus;

**"Post-Enforcement Priority of Payments"** means the priority of payments as set out as such in section 5.2 (*Priority of Payments*) of this Base Prospectus;

+ **"Post-Foreclosure Proceeds"** means any amounts received, recovered or collected from a Borrower in respect of a Mortgage Receivable in addition to Net Foreclosure Proceeds, whether in relation to interest, principal or otherwise, following completion of the foreclosure on the Mortgage and other collateral securing the Mortgage Receivable, such that there is no more collateral securing the Mortgage Receivable;

+ **"Potential Set-off Amount"** means on any Notes Payment Date, with respect to ABN AMRO Bank, an amount equal to:

- (i) prior to the notification of the Borrowers of the assignment of the Relevant Mortgage Receivables to the Asset Purchaser, the sum of all amounts in respect of the Relevant Mortgage Receivables, which amounts are, in respect of each Relevant Mortgage Receivable separately, the lower of:
  - (a) the aggregate amount standing to the credit of each current-account or deposit held by the Borrower of the Relevant Mortgage Receivable(s) with ABN AMRO Bank on the last day of the immediately preceding Notes Calculation Period; and
  - (b) the aggregate Outstanding Principal Amount of such Relevant Mortgage Receivable(s) on the last day of the immediately preceding Notes Calculation Period, and
- (ii) after the notification of the Borrowers of the assignment of the Relevant Mortgage Receivables to the Asset Purchaser, the sum of all amounts in respect of the Relevant Mortgage Receivables, which amounts are, in respect of each Relevant Mortgage Receivable separately, the lower of:
  - a. the aggregate amount standing to the credit of each current-account or deposit held by such Borrower with ABN AMRO Bank on the last day of the immediately preceding Notes Calculation Period;
  - b. the aggregate Outstanding Principal Amount of such Relevant Mortgage Receivable(s) on the last day of the immediately preceding Notes Calculation Period; and
  - c. the aggregate amount standing to the credit of each current-account or deposit held by such Borrower with ABN AMRO Bank on the date the relevant Borrower is notified of the assignment of the Relevant Mortgage Receivable(s) to the Asset Purchaser;

**"Prepayment Penalties"** means any prepayment penalties (*boeterente*) to be paid by a Borrower under a Mortgage Loan as a result of the Mortgage Receivable being repaid (in whole or in part) prior to the maturity date of such Mortgage Loan other than (i) on a date whereon the interest rate is reset or (ii) as otherwise permitted pursuant to the Mortgage Conditions;

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

+ **"Principal Ledger"** means the ledger held by or on behalf of the Asset Purchaser to which amounts received as principal on each Mortgage Collection Payment Date will be credited;

**"Principal Outstanding Amount"** means, on any date, in respect of any IC Loan the principal outstanding amount on the date such IC Loan was granted to the Asset Purchaser less the aggregate amount of all principal paid to the Issuer up to such date in respect of such IC Loan;

**"Principal Paying Agent"** means BNP Paribas Securities Services, Luxembourg Branch in its capacity as principal paying agent under the Paying Agency Agreement and its successor or successors, provided that the appointment of BNP Paribas Securities Services, Luxembourg Branch is limited to the Notes held through a Common Safekeeper or Common Depository for Euroclear and Clearstream, Luxembourg, and in case Notes are held through Euroclear Netherlands or held through another clearing system, any reference to Principal Paying Agent shall be a reference to the relevant Paying Agent;

+ **"Principal Payment Rate"** has the meaning ascribed to it in section 5.9 (*Priority of Payments*) of this Base Prospectus;

+ **"Principal Shortfall"** has the meaning ascribed to it in Condition 9(b) in respect of the relevant Class of Notes, other than the Class A Notes;

**"Priority of Payments"** means any of the Issuer Priority of Payments, the Asset Purchaser Priority of Payments and the Post-Enforcement Priority of Payments;

**"Professional Market Party"** means a professional market party (*professionele marktpartij*) as defined in the Wft;

**"Programme"** means the euro 100,000,000,000 residential mortgage backed notes programme of Dolphin Master Issuer B.V.;

**"Programme Accession Date"** means, in respect of a Seller, the date on which such Seller has acceded to the Programme;

**"Programme Agreement"** means the programme agreement between, among others, the Issuer, the Security Trustee, the Asset Purchaser, the Sellers and the Arranger dated the Programme Signing Date;

**"Programme Clean-Up Call Option"** means the right of the Issuer to redeem all of the Notes in accordance with Condition 6(f);

**"Programme Final Maturity Date"** means the Final Maturity Date of the last maturing Series and Class or Sub-Class of Notes;

+ **"Programme Resolution"** means an Extraordinary Resolution passed at a single Meeting by Noteholders of all Series of the relevant Class;

**"Programme Secured Creditors"** means the Issuer Secured Creditors and the Asset Purchaser Secured Creditors;

**"Programme Signing Date"** means 25 September 2007 and, in respect of the Transaction Documents, as amended and/or restated on 13 December 2012;

+ **"Pro-rata Condition"** has the meaning ascribed to it in section 5.1 (*Available Funds*) of this Base Prospectus;

**"Prospectus Directive"** means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended by the Directive 2010/73/EC of the European Parliament and of the Council of 24 November 2010, as the same may be further amended;

+ **"Quarterly Information Report"** means each quarterly report given by the Asset Purchaser Administrator in the form set out in Schedule 4 of the Asset Purchaser Administration Agreement;

+ **"Quion 9"** means Quion 9 B.V., a private company with limited liability ("*besloten vennootschap met beperkte aansprakelijkheid*") organised under Dutch law and established in Rotterdam, the Netherlands;

**"Realised Loss"** has the meaning ascribed thereto in section 5.10 (*Loss Allocation*) of this Base Prospectus;

**"Redemption Amount"** has the meaning ascribed to it in Condition 6 (*Redemption and Purchase*);

**"Reference Agent"** means ABN AMRO Bank N.V.;

+ **"Reference Mortgage Lenders"** means five (5) leading mortgage lenders in the Dutch mortgage market selected by the Pool Servicer in good faith;

+ **"Regulatory Call Option"** has the meaning ascribed to it in Clause 9 of the Asset Purchaser Mortgage Receivables Purchase Agreement;

+ **"Regulatory Change"** has the meaning ascribed to it in Condition 6 (i) (*Redemption and purchase*);

**"Relevant ABN AMRO Subsidiaries"** means (i) in respect of the ABN AMRO Bank 403-Declarations, Direktbank N.V., Oosteroever Hypotheken B.V., Quion 9 B.V. and ABN AMRO Hypotheken Groep B.V. and (ii) in respect of the ABN AMRO Group 403-Declarations, ABN AMRO Bank N.V., ABN AMRO Hypotheken Groep N.V., Direktbank N.V., Oosteroever Hypotheken B.V. and Quion 9 B.V.;

+ **"Relevant Bank Savings Mortgage Loan"** means, with respect to a Bank Savings Participant, the Bank Savings Mortgage Loan of which the relevant Bank Savings Participant holds the Bank Savings Account;

+ **"Relevant Bank Savings Mortgage Receivable"** means the Mortgage Receivable resulting from a Relevant Bank Savings Mortgage Loan;

+ **"Relevant Further Advance"** means the Further Advance from which a Relevant Further Advance Receivable results;

+ **"Relevant Further Advance Receivable"** means with respect to a Seller, the Further Advance Receivable sold and assigned by such Seller to the Asset Purchaser;

+ **"Relevant Mortgage Loan"** means the Mortgage Loan from which a Relevant Mortgage Receivable results;

+ **"Relevant New Mortgage Loan"** means the New Mortgage Loan from which a Relevant New Mortgage Receivable results;

+ **"Relevant Mortgage Receivable"** means with respect to a Seller, the Mortgage Receivables sold and assigned by such seller to the Asset Purchaser;

+ **"Relevant New Mortgage Receivable"** means, with respect to a Seller, the New Mortgage Receivable sold and assigned by such Seller to the Asset Purchaser;

**"Repayment Test"** has the meaning ascribed to it in section 4.5 (*Repayment Test*) of this Base Prospectus;

+ **"Repurchase Date"** has the meaning ascribed to it in the Asset Purchaser Mortgage Receivables Purchase Agreement;

+ **"Required Subordinated Amount"** has the meaning ascribed thereto in section 4.4 (*Issuance Test*) of this Base Prospectus in respect of the relevant Class of Notes, other than the Class E Notes;

+ **"Required Subordinated Percentage"** has the meaning ascribed thereto in section 4.4 (*Issuance Test*) of this Base Prospectus in respect of the relevant Class of Notes, other than the Class E Notes;

**"Requisite Credit Rating"** means a rating of (i) the short-term unsecured, unsubordinated and unguaranteed debt obligations of at least Prime-1 by Moody's or the long-term, unsecured, unsubordinated and unguaranteed debt obligations of at least A2 (or A1 if the unsecured, unsubordinated and unguaranteed debt obligations do not have a short-term rating) by Moody's and (ii) the long-term, unsecured, unsubordinated and unguaranteed debt obligations of at least A by DBRS and A (or A+ if the unsecured, unsubordinated and unguaranteed debt obligations do not have a short-term rating of at least A-1) by S&P;

+ **"Reserve Account Interest"** means, in respect of a Notes Calculation Period, the interest accrued on the Issuer Reserve Account during such period;

+ **"Reserved Ledger"** has the meaning ascribed to it in section 5.5 (*Issuer Transaction Accounts*) of this Base Prospectus;

+ **"Reserved Ledger Release"** has the meaning ascribed thereto in section 5.3 (*Loss Allocation*) of this Base Prospectus;

+ **"Reserved Ledger Repayment Debit"** has the meaning ascribed to it in section 5.5 (*Issuer Transaction Accounts*) of this Base Prospectus;

+ **"Reserved Ledger Repayment Debit Ledger"** has the meaning ascribed to it in section 5.5 (*Issuer Transaction Accounts*) of this Base Prospectus;

+ **"Revenue Ledger"** means the ledger held by or on behalf of the Asset Purchaser to which amounts received as interest on each Mortgage Collection Payment Date will be credited;

+ **"Revolving Credit Mortgage Loans"** means, in respect of Mortgage Loans originated by each of ABN AMRO Bank N.V. (or its legal predecessor Fortis Bank (Nederland) N.V.) and Direktbank N.V., the loans, entered into by ABN AMRO Bank N.V. (or its legal predecessor Fortis Bank (Nederland) N.V.) or Direktbank N.V., as applicable, and the relevant borrower in the form of a revolving credit



facility administered in an account ("*krediet in rekening courant*"), set out in (i) the List of Mortgage Loans and (ii) in respect of Further Advances, in the Revolving Credit Mortgage Receivables List;

+ "**Revolving Credit Mortgage Loan Limit**" means the maximum amount the relevant Borrower may loan under the Revolving Credit Mortgage Loan as set out in the relevant revolving credit facility agreement with the Borrower;

+ "**Revolving Credit Mortgage Receivables**" means the Mortgage Receivables under or in connection with any Revolving Credit Mortgage Loans.

+ "**Revolving Credit Mortgage Receivables List**" means the list as attached as Annex 2 to each Deed of Sale, Assignment and Pledge on a Monthly Payment Date;

"**Risk Insurance Policy**" means the risk insurance (*risicoverzekering*) which pays out upon the death of the life insured, taken out by a Borrower with any of the Insurance Companies;

"**S&P**" means Standard & Poor's Credit Market Services Europe Limited, and includes any successor to its rating business;

"**Savings Insurance Company**" means any Insurance Company with which a Borrower has taken out a Savings Insurance Policy;

"**Savings Insurance Policy**" means an insurance policy taken out by any Borrower, in connection with a Savings Mortgage Loan, comprised of a risk insurance element and a capital insurance element which pays out a certain amount on an agreed date or, if earlier, upon the death of the insured life;

"**Savings Investment Insurance Policy**" means an insurance policy taken out by any Borrower, in connection with a Hybrid Mortgage Loan, comprised of a risk insurance element and a capital insurance element which pays out a certain amount on an agreed date or, if earlier, upon the death of the insured life;

"**Savings Mortgage Loan**" means a mortgage loan or part thereof in respect of which the Borrower is not required to repay principal until maturity, but instead pays on a monthly basis a premium to the relevant Savings Insurance Company;

"**Savings Mortgage Receivable**" means the Mortgage Receivable resulting from a Savings Mortgage Loan;

"**Savings Premium**" means the savings part of the premium due and any extra saving mounts paid by the relevant Borrower, if any, to the relevant Savings Insurance Company on the basis of the Savings Insurance Policy or the Savings Investment Insurance Policy;

+ "**Schedule**" means the Schedule to the Asset Purchaser Swap Agreement or the relevant Issuer Currency Swap Agreement;

"**Secured Creditors**" means the Issuer Secured Creditors and the Asset Purchaser Secured Creditors;

"**Securities Act**" means the United States Securities Act of 1933 (as amended);

"**Security**" means any and all security interest created pursuant to the Security Documents;

+ **"Security Account"** means such account as opened by the Security Trustee in its name at any bank as chosen by the Security Trustee, to which account payments from Borrowers and any other relevant debtor of the Asset Purchaser and from the Asset Purchaser and other debtors of the Issuer shall be directed upon notification as referred to in each Asset Purchaser Mortgage Receivables Pledge Agreement and in the event the non-exercise by the Security Trustee of its disclosed rights of pledge on the Issuer Rights is terminated in accordance with the Issuer Rights Pledge Agreement and/or the non-exercise by the Security Trustee of any of its disclosed rights of pledge on the Asset Purchaser Rights is terminated in accordance with the relevant Asset Purchaser Rights Agreement;

**"Security Documents"** means the Issuer Rights Pledge Agreement and the Asset Purchaser Pledge Agreements;

+ **"Security Interests"** means at any time the Mortgages and/or Borrower Pledges that are jointly-held by the relevant Seller and the Asset Purchaser and/or the Security Trustee;

**"Security Trustee"** means Stichting Security Trustee Dolphin, a foundation (*stichting*) organised under Dutch law and established in Amsterdam;

**"Security Trustee Director"** means Amsterdamsch Trustee's Kantoor B.V.;

**"Security Trustee Management Agreement"** means the security trustee management agreement between the Security Trustee and the Security Trustee Director dated the Programme Signing Date;

**"Seller"** means ABN AMRO Bank N.V., Direktbank N.V., Oosteroever Hypotheken B.V. and Quion 9 B.V. (and its successor or successors) and any other seller of New Mortgage Receivables who has acceded to the Programme as Seller;

**"Seller Collection Account"** means the bank accounts maintained by each Seller with the Seller Collection Account Bank to which payments made by the relevant Borrowers under or in connection with the Mortgage Loans will be paid;

**"Seller Collection Account Bank"** means ABN AMRO Bank N.V.;

**"Seller Collection Account Bank Requisite Credit Rating"** means a rating of (i) the short-term unsecured, unsubordinated and unguaranteed debt obligations of at least R-1 (low) by DBRS and Prime-1 by Moody's and (ii) the long-term unsecured, unsubordinated and unguaranteed debt obligations of at least BBB (high) by DBRS and BBB (or BBB+ if the unsecured, unsubordinated and unguaranteed debt obligations do not have a short-term rating of at least A-2) by S&P;

**"Series"** means all Classes of Notes issued on a given day which are expressed to be the same Series in the Applicable Final Terms and any Class of Notes issued on any other day which is (i) expressed to be consolidated, and (ii) is identical in all respects except for the Issue Date, interest commencement date and issue price, with the same Class of Notes issued on such given day;

**"Series and Class"** means a particular Class of Notes of a given Series;

**"Servicer"** means ABN AMRO Hypotheken Groep B.V.;

+ **"Set-Off Amount"** means, in respect of any Relevant Mortgage Receivable sold and assigned by ABN AMRO Bank on any Notes Payment Date, an amount equal to the full amount due in respect of such Relevant Mortgage Receivable in respect of the Notes Calculation Period immediately preceding

such Notes Payment Date, if and to the extent the Asset Purchaser, as a result of the fact that a Borrower has invoked a right of set-off for amounts due by ABN AMRO Bank to it and ABN AMRO Bank has not reimbursed the Asset Purchaser for such amount on the relevant Notes Payment Date, has not received such amount in respect of the Notes Calculation Period immediately preceding such Notes Payment Date;

**"Shareholder"** means Stichting Holding Dolphin, a foundation (*stichting*) organised under Dutch law and established in Amsterdam;

**"Shareholder Director"** means ATC Management;

**"Shareholder Management Agreement"** means the shareholder management agreement between the Shareholder, the Shareholder Director and the Security Trustee dated the Programme Signing Date;

+ **"Soft-bullet Note"** means any Note which in the Applicable Final Terms has been designated as Soft-bullet Note and which is not subject to mandatory repayment on the next Notes Payment Date;

+ **"Specified Currency"** means the currency as specified in the Applicable Final Terms;

+ **"Specified Notes Exchange Rate"** has the meaning ascribed to it in the Conditions;

**"Sub-class"** means, in respect of a Series and Class of Notes, a sub-class thereof;

+ **"Subordinated Loan"** has the meaning ascribed to it in section 5.7 (*IC Loan Agreement*);

+ **"Subordinated Loan Interest Deficiency Ledger"** means interest deficiency ledger relating to the Subordinated Loan;

+ **"Subordinated Loan Minimum Amount"** means in respect of a Notes Payment Date an amount equal to the amount by which the Reserve Ledger exceeds the lower of (i) the Class D Required Subordinated Amount and (ii) the Principal Amount Outstanding of all Class E Notes (after taking into account any Reserve Ledger Release and any Reserved Ledger Repayment Debit on such date);

+ **"Subordinated Notes"** means the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes;

**"Sub-Servicer"** means any sub-agent of the Servicer;

+ **"Supplement"** means a supplement to this Base Prospectus;

+ **"Supplemental Deed of Pledge of Rights"** means any Issuer Currency Swap Rights Supplemental Deed of Pledge or IC Loan Agreement Rights Supplemental Deed of Pledge;

**"Swap Requisite Credit Rating"** means a rating of (i) the long-term, unsecured, unsubordinated and unguaranteed debt obligations of at least A2 (or A1 if the unsecured, unsubordinated and unguaranteed debt obligations do not have a short-term rating) by Moody's, A by DBRS and A (or A+ if the unsecured, unsubordinated and unguaranteed debt obligations do not have a short-term rating of at least A-1) by S&P and (ii) the short-term, unsecured, unsubordinated and unguaranteed debt obligations of at least Prime-1 by Moody's;

**"TARGET 2"** means the Trans-European Automated Real-Time Gross Settlement Express Transfer 2 System;

**"TARGET 2 Settlement Day"** means any day on which TARGET 2 is open for the settlement of payments in euro;

**"Temporary Global Note"** means a temporary global note in respect of a Class or Sub-class of Notes;

**"Transaction Accounts"** means the Issuer Accounts and all Asset Purchaser Accounts;

**"Transaction Accounts Balances"** means, at any day, the balances standing to the credit of each of the Transaction Accounts at the close of business of such day;

**"Transaction Documents"** means the Programme Agreement (including the Master Definitions Schedule), the Issuer Rights Pledge Agreement, any Issuer Currency Swap Agreements, the Issuer Currency Swap Undertaking Letter, the Issuer Administration Agreement, the Issuer Account Agreement, the IC Loan Agreement, the Issuer Trust Deed, the Issuer Parallel Debt Agreement, the Notes Purchase Agreements, the Paying Agency Agreement, the Asset Purchaser Mortgage Receivables Purchase Agreement, the Asset Purchaser Pledge Agreements, the Asset Purchaser Account Agreement, the Asset Purchaser Swap Agreement, the Asset Purchaser Trust Agreement, the Asset Purchaser Beneficiary Waiver Agreement, the Asset Purchaser Insurance Savings Participation Agreements, the Asset Purchaser Bank Savings Participation Agreement, the Asset Purchaser Servicing Agreement, the Asset Purchaser Administration Agreement, the Asset Purchaser Deposit Agreement, the Management Agreements and any further documents relating to the transaction envisaged in the above mentioned documents;

+ **"Trigger Event"** has the meaning ascribed to it in section 5.2 (*Priority of Payments*) of this Base Prospectus;

+ **"Trustee Indemnification"** has the meaning ascribed to it in the Asset Purchaser Mortgage Receivables Purchase Agreement;

+ **"Unreserved Ledger"** has the meaning ascribed to it in section 5.5 (*Issuer Transaction Account*) of this Base Prospectus;

+ **"Unreserved Ledger Repayment Debit"** has the meaning ascribed to it in section 5.5 (*Issuer Transaction Account*) of this Base Prospectus;

+ **"Unreserved Ledger Required Amount"** means, on any date, an amount equal to the aggregate Principal Amount Outstanding of the Class E Notes of all Series on their respective Issue Dates that are outstanding on such date, taking into account any redemptions and any issuances of Class E Notes to be made on such date;

+ **"Utilisation Date"** means any date set out in an Utilisation Request on which a drawing under an IC Loan is requested;

**"Utilisation Request"** means a request by the Asset Purchaser for a new IC Loan substantially in the form set out in schedule 1 to the IC Loan Agreement;

+ **"Waiver Period"** means the period of five (5) years in which the waiver to request division of the co-owned Security Interests shall be valid;

**"Wft"** means the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) and its subordinate and implementing decrees and regulations as amended from time to time; and

**"WOZ"** means the Valuation of Immovable Property Act (*Wet waardering onroerende zaken*) as amended from time to time.

## 2. INTERPRETATION

2.1 The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed thereto under applicable law.

2.2 Any reference in this Base Prospectus to:

a **"Class"** of Notes shall be construed as a reference to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes, as applicable;

a **"Class A"**, **"Class B"**, **"Class C"**, **"Class D"** or **"Class E"** Interest Deficiency Ledger, Noteholder, Permanent Global Note, Principal Deficiency, Principal Deficiency Ledger, Redemption Amount, Temporary Global Note and a **"Class A"**, **"Class B"**, **"Class C"** or **"Class D"** Available Subordinated Amount, Pass-through Notes, Pass-through Notes Principal Redemption Amount, Pass-through Notes Redemption Available Amount, Required Subordinated Amount, Required Subordinated Percentage or Principal Shortfall shall be construed as a reference to a Noteholder of, or an Available Subordinated Amount, Interest Deficiency Ledger, Pass-through Notes, Pass-through Notes Principal Redemption Amount, Pass-through Notes Redemption Available Amount, Permanent Global Note, Principal Deficiency, Principal Deficiency Ledger, Required Subordinated Amount, Required Subordinated Percentage, Principal Shortfall or Temporary Global Notes pertaining to, as applicable, the relevant Class of Notes;

**"foreclosure"** includes any lawful manner of generating proceeds from collateral whether by public auction, by private sale (whether voluntarily or as part of enforcement proceedings) or otherwise;

**"holder"** means the bearer of a Note and related expressions shall (where appropriate) be construed accordingly;

**"including"** or **"include"** shall be construed as a reference to "including without limitation" or "include without limitation", respectively;

**"indebtedness"** shall be construed so as to include any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

a **"law"** shall be construed as any law (including common or customary law), statute, constitution, decree, judgement, treaty, regulation, directive, bye-law, order or any other legislative measure of any government, supranational, local government, statutory or regulatory body or court and shall be construed as a reference to such law, statute or treaty as the same may have been, or may from time to time be, amended;

a **"month"** means a period beginning in one calendar month and ending in the next calendar month on the day numerically corresponding to the day of the calendar month on which it commences or, where there is no date in the next calendar month numerically corresponding as aforesaid, the last day of such calendar month, and "months" and "monthly" shall be construed accordingly;

the "**Notes**", the "**Conditions**", any "**Transaction Document**" or any other agreement or document shall be construed as a reference to the Notes, the Conditions, such Transaction Document or, as the case may be, such other agreement or document as the same may have been, or may from time to time be, amended, restated, varied, novated, supplemented or replaced;

a "**person**" shall be construed as a reference to any person, firm, company, corporation, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing or any successor or successors of such party;

a reference to "**preliminary suspension of payments**", "**suspension of payments**" or "**moratorium of payments**" shall, where applicable, be deemed to include a reference to the suspension of payments ("*voorlopige surséance van betaling*") as meant in the Dutch Bankruptcy Act ("*faillissementswet*") or any emergency regulation ("*noodregeling*") on the basis of the Wft; and, in respect of a private individual, any debt restructuring scheme ("*schuldsanering natuurlijke personen*");

"**principal**" shall be construed as the English translation of "*hoofdsom*" or, if the context so requires, "*pro resto hoofdsom*" and, where applicable, shall include premium;

"**repay**", "**redeem**" and "**pay**" shall each include both of the others and "**repaid**", "**repayable**" and "**repayment**", "**redeemed**", "**redeemable**" and "**redemption**" and "**paid**", "**payable**" and "**payment**" shall be construed accordingly;

a "**statute**" or "**treaty**" shall be construed as a reference to such statute or treaty as the same may have been, or may from time to time be, amended or, in the case of a statute, re-enacted;

a "**successor**" of any party shall be construed so as to include an assignee, transferee or successor in title of such party and any person who under the laws of the jurisdiction of incorporation or domicile of such party has assumed the rights and obligations of such party or otherwise replaced such party (by way of novation or otherwise), under or in connection with a Transaction Document or to which, under such laws, such rights and obligations have been transferred; and

any "**Transaction Party**" or "**party**" or a party to any Transaction Document (however referred to or defined) shall be construed so as to include its successors and any subsequent successors in accordance with their respective interests.

2.3 In this Base Prospectus, save where the context otherwise requires, words importing the singular number include the plural and vice versa.

2.4 Headings used in this Base Prospectus are for ease of reference only and do not affect the interpretation of this Base Prospectus.

## REGISTERED OFFICES

### ISSUER

Dolphin Master Issuer B.V.  
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