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

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PROSPECTUS DATED 25 JUNE 2013

Phedina Hypotheken 2013-I B.V. as Issuer

(*incorporated with limited liability in the Netherlands*)

	Class A1	Class A2	Class B	Class C	Class D	Class E
Principal Amount	EUR 175,000,000	EUR 765,000,000	EUR 25,000,000	EUR 20,000,000	EUR 15,000,000	EUR 10,000,000
Issue Price	100 per cent.	100 per cent.	100 per cent.	100 per cent.	100 per cent.	100 per cent.
Interest rate until First Optional Redemption Date	3 month Euribor plus a margin of 0.30 cent. per annum	3 month Euribor plus a margin of 0.85 cent. per annum	3 month Euribor plus a margin of 1.80 cent. per annum	3 month Euribor plus a margin of 3.00 cent. per annum	3 month Euribor plus a margin of 4.00 cent. per annum	3 month Euribor plus a margin of 5.00 cent. per annum
Interest rate after First Optional Redemption Date	3 month Euribor plus a margin of 0.60 cent. per annum	3 month Euribor plus a margin of 1.70 cent. per annum	3 month Euribor plus a margin of 1.80 cent. per annum	3 month Euribor plus a margin of 3.00 cent. per annum	3 month Euribor plus a margin of 4.00 cent. per annum	3 month Euribor plus a margin of 5.00 cent. per annum
Expected ratings (S&P/Fitch)	AAA (sf)/ AAAsf	AAA (sf)/ AAAsf	A+ (sf)/ AAsf	A (sf)/ BBBsf	N/A N/A	N/A N/A
Final Maturity Date	November 2045	November 2045	November 2045	November 2045	November 2045	November 2045
First Optional Redemption Date	August 2018	August 2018	August 2018	August 2018	August 2018	N/A

BNP Paribas Personal Finance B.V. as Seller

Unless otherwise indicated in this Prospectus or the context otherwise requires, capitalised terms used in this Prospectus have the meanings ascribed thereto in clause 9.1 (Definitions) of the Glossary of Defined Terms set out in this Prospectus. The principles of interpretation set out in clause 9.2 (Interpretation) of the Glossary of Defined Terms in this Prospectus shall apply to this Prospectus.

Closing Date	The Issuer will issue the Notes in the Classes set out above on 27 June 2013 or such later date as may be agreed between the Issuer and the Joint Lead Managers.
Underlying Assets	The Issuer will make payments on the Notes from, *inter alia*, payments of principal and interest received from a portfolio comprising Mortgage Loans originated by the Seller and secured over residential properties located in the Netherlands. Legal title of the resulting Mortgage Receivables will be assigned to the Issuer on the Closing Date. See section 6 (*Portfolio information)*.
Security for the Notes	The Noteholders will, together with the other Secured Creditors, benefit from security rights created in favour of the Security Trustee over, *inter alia*, the Mortgage Receivables (see section 4 (*Notes*)).
Denomination	The Notes will have a denomination of EUR 100,000.
Form	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.
Interest	The Notes will carry floating rates of interest, payable in arrear on each Notes Payment Date. See further Condition 4 (*Interest*) in section 4.1 (*Terms and Conditions*).
Redemption Provisions	Payments of principal on the Notes will be made quarterly in arrear on each Notes Payment Date in the circumstances set out in, and subject to and in accordance with the Conditions. The Notes will mature on the Final Maturity Date. On the First Optional Redemption Date and each Optional Redemption Date thereafter and in certain other circumstances, the Issuer will have the option to redeem all of the Notes (other than the Class E Notes). See further Condition 6 (*Redemption*) in section 4.1 (*Terms and Conditions*).
Subscription and sale	The Joint Lead Managers have, pursuant to the Subscription Agreement agreed with the Issuer, subject to certain conditions, to jointly and severally subscribe or procure the subscription for the Class A Notes at their Issue Price. BNP Paribas, London Branch has agreed to subscribe, or procure the subscription for the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes at their Issue Price.
Credit Rating Agencies	Each of S&P and Fitch 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.
Ratings	Ratings will be assigned to the Notes (other than the Class D Notes and the Class E Notes) as set out above on or before the Closing Date. The ratings assigned by S&P and Fitch address the likelihood of (a) timely payment of interest due to the Noteholders on each Notes Payment Date and (b) full payment of principal by a date that is not later than the Final Maturity Date. The assignment of ratings to the Notes (other than the Class D Notes and 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.
Listing	Application has been made to list the Notes on Euronext Amsterdam. This Prospectus has been approved by the AFM and constitutes a prospectus for the purposes of the Prospectus Directive.
Eurosystem Eligibility	The Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Class A Notes are intended upon issue to be deposited with one of the International Central Securities Depositories and/or Central Securities Depositories that fulfils the minimum standard established by the European Central Bank, as common safekeeper and does not necessarily mean that the Class A Notes will be recognised as Eurosystem Eligible Collateral either upon issue or at any or all times during their life. Such recognition will depend, *inter alia*, upon satisfaction of the Eurosystem eligibility criteria.
Limited recourse obligations	The Notes will be limited recourse obligations of the Issuer alone and will not be the obligations of, or guaranteed by, or be the responsibility of, any other entity. The Issuer will have limited sources of funds available. See section 2 (*Risk factors)*.
Subordination	The right to payment of principal and the right to payment of interest on the Class B Notes, the Class C Notes, and the Class D Notes will be subordinated to the right to payment of principal and interest on the Class A Notes. The right to payment of interest and principal on the Class E Notes will be subordinated to the right to payment of interest on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes. See section 5 (*Credit structure)*.
Retention and Information Undertaking	The Seller has undertaken to the Issuer, the Security Trustee and the Joint Lead Managers that, for as long as the Notes are outstanding, it will at all times retain a material net economic interest of not less than five (5) per cent. in the securitisation transaction described in this Prospectus in accordance with the CRD. The Seller has also undertaken to make available materially relevant data with a view to complying with Article 122a paragraph (7) of the CRD, which can be obtained from the Seller upon request. Each prospective Noteholder should ensure that it complies with the implementing provisions of Article 122a

	of the CRD in its relevant jurisdiction. See section 4.4 (*Regulatory & industry compliance*) for more details.

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

Arranger

BNP PARIBAS

BNP PARIBAS | Barclays | ING Bank N.V. | Lloyds Bank

RESPONSIBILITY STATEMENTS AND IMPORTANT INFORMATION

Responsibility statements

The Issuer is responsible for the information contained in this Prospectus. In addition to the Issuer, the Seller, Intertrust (Netherlands) B.V., Stater and Novalink are responsible for the information as referred to in the following two paragraphs. To the best of the Issuer's knowledge and belief, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Issuer accepts responsibility accordingly.

For the information set forth in the following sections of this Prospectus: 3.4 (*Seller/Originator*), 3.5 (*Servicer*), 6.1 (*Stratification tables*), 6.2 (*Description of Mortgage Loans), 6.3 (Origination and servicing by Originator),* 6.4 *(Dutch residential mortgage market), 6.5 (NHG Guarantee programme),* under *Retention statement* in section 4.4 (*Regulatory & industry compliance*) and under *CRD* in this section, the Issuer has relied on information from the Seller, for which the Seller is responsible. To the best of its knowledge and belief, having taken all reasonable care to ensure that such is the case, the information set forth under these sections and paragraphs referred to in this paragraph is in accordance with the facts and does not omit anything likely to affect the import of such information. The Seller accepts responsibility accordingly. For the information set forth under sections 3.6 (*Administrator)* and 3.3 (*Security Trustee)* of this Prospectus, the Issuer has relied on information from Intertrust (Netherlands) B.V. Intertrust (Netherlands) B.V. is responsible solely for the information set forth under these sections and not for information set forth under any other section and consequently, Intertrust (Netherlands) B.V. does not assume any liability in respect of the information set forth under any other part of the Prospectus. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), the information set forth under sections *Administrator* and *Security Trustee* is in accordance with the facts and does not omit anything likely to affect the import of such information. Intertrust (Netherlands) B.V. accepts responsibility accordingly. For the information set forth under *Stater Nederland B.V.* in section 6.3 (*Origination and servicing by Originator*) of this Prospectus, the Issuer has relied on information from Stater. Stater is responsible solely for the information set forth under *Stater Nederland B.V.* in section 6.3 (*Origination and servicing by Originator*) of this Prospectus and not for information set forth under any other section and consequently, Stater does not assume any liability in respect of the information contained in any section other than the section *Stater Nederland B.V.* To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), the information set forth under the section *Stater Nederland B.V.* is in accordance with the facts and does not omit anything likely to affect the import of such information. Stater accepts responsibility accordingly. For the information set forth under *Novalink B.V.* in section 6.3 (*Origination and servicing by Originator*) of this Prospectus, the Issuer has relied on information from Novalink. Novalink is responsible solely for the information set forth under *Novalink B.V.* in section 6.3 (*Origination and servicing by Originator*) of this Prospectus and not for information set forth under any other section and consequently, Novalink does not assume any liability in respect of the information set forth under any section other than the section *Novalink B.V.* To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), the information set forth under the section *Novalink B.V.* is in accordance with the facts and does not omit anything likely to affect the import of such information. Novalink accepts responsibility accordingly. The information in these sections and any other information from third-parties set forth and specified as such in this Prospectus, other than the information set out in the sections *Stater Nederland B.V.* and *Novalink B.V.* of this Prospectus and in the section *Administrator*, has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by that third-party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Joint Lead Managers have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Joint Lead Managers as to the accuracy or completeness of the information contained in this Prospectus or any other information provided by the Issuer, the Seller, Stater, Novalink B.V. or any other party.

Important information

Eurosystem eligibility

The Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Class A Notes are intended upon issue to be deposited with one of the International Central Securities Depositories and/or Central Securities Depositories that fulfils the minimum standard established by the European Central Bank, as common safekeeper and does not necessarily mean that the Class A Notes will be recognised as Eurosystem Eligible Collateral either upon issue or at any or all times during their life. Such recognition will depend, *inter alia*, upon satisfaction of the Eurosystem eligibility criteria. The Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes are not intended to be recognised as Eurosystem Eligible Collateral.

CRD

The Seller has in the Subscription Agreement undertaken to each of the Joint Lead Managers, to retain, on an ongoing basis, a material net economic interest of not less than five (5) per cent. in the securitisation transaction described in this Prospectus in accordance with the requirements of the CRD. As at the Closing Date, such material net economic interest will be held in accordance with Article 122a paragraph (1) sub-paragraph (d) of the CRD and will comprise of the entire interest in the first loss tranche of the securitisation transaction described in this Prospectus (held through the Class E Notes) and, if necessary, other tranches having the same or a more severe risk profile than those sold to investors. The Seller has provided a corresponding undertaking with respect to the interest to be retained by it during the period in which the Notes are outstanding to the Issuer and the Security Trustee in the Mortgage Receivables Purchase Agreement. In addition to the information set out herein and forming part of this Prospectus, the Seller has undertaken to make available materially relevant data with a view to complying with Article122a paragraph (7) of the CRD, which can be obtained from the Seller upon request. After the Closing Date, the Issuer (or the Issuer Administrator on its behalf) will prepare quarterly investor reports wherein relevant information with regard to the Mortgage Loans and Mortgage Receivables will be disclosed publicly together with a confirmation of the retention of the material net economic interest by the Seller. The quarterly investor reports can be obtained at: www.intertrustgroup-fgreporting.com and/or the website of the DSA: www.dutchsecuritisation.nl. Each prospective investor is required to independently assess and determine the sufficiency of the information described above for the purposes of complying with Article 122a of the CRD and none of the Issuer, the Seller, BNP Paribas Personal Finance (in its capacity as the Servicer), the Issuer Administrator nor the Joint Lead Managers makes any representation that the information described above is sufficient in all circumstances for such purposes.

Non-consistent information

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

No offer to sell or solicitation on an offer to buy

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy Notes in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction. The distribution of this document and the offering of the Notes in certain jurisdictions may be restricted by law.

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

Investors should undertake their own independent investigation

Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the offering of the Notes constitutes an offer or invitation by or on behalf of the Issuer, the Arranger or the Joint Lead Managers to any person to subscribe for or to purchase any Notes.

Before making an investment decision with respect to any Notes, prospective investors should consult their own stockbroker, bank manager, lawyer, accountant or other financial, legal and tax advisers and carefully review the risks entailed by an investment in the Notes and consider such an investment decision in the light of the prospective investor's personal circumstances.

Developments and events after date of Prospectus

Neither the delivery of this Prospectus at any time nor any sale made in connection with the offering of the Notes shall imply that the information contained herein is correct at any time subsequent to the date of this Prospectus. The Issuer does not have the obligation to update this Prospectus, except when required by the listing and issuing rules of Euronext Amsterdam or any other regulation.

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

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

Notes not registered under Securities Act

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and are subject to United States tax law requirements. The Notes may not be offered or sold within the United States, or to or for the account or benefit of any U.S. person, unless the offer or sale would qualify for a registration exemption from the Securities Act and applicable state securities laws (see section 4.3 (*Subscription and sale)).*

Over-allotment

In connection with the issue of the Notes, the Joint Lead Managers, or any other duly appointed person acting for the Joint Lead Managers, may over-allot or effect transactions that stabilise or maintain the market price of the Notes at a level that might not otherwise prevail. However, there is no obligation on the Joint Lead Managers to undertake these actions. Any stabilisation action may be discontinued at any time but will, in accordance with the rules of Euronext Amsterdam, in any event be discontinued at the earlier of thirty (30) calendar days after the issue date of the Notes and sixty (60) calendar days after the date of allotment of the Notes. Stabilisation transactions will be conducted in compliance with all applicable laws and regulations, as amended from time to time.

Incorporation by reference

This Prospectus is to be read in conjunction with the deed of incorporation including the articles of association of the Issuer dated 25 February 2013, which are deemed to be incorporated herein by reference (see paragraph 8 (ii) in section 8 (*General*)). This Prospectus shall be read and construed on the basis that such document is incorporated in, and forms part of, this Prospectus.

DSA & PCS Statement

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

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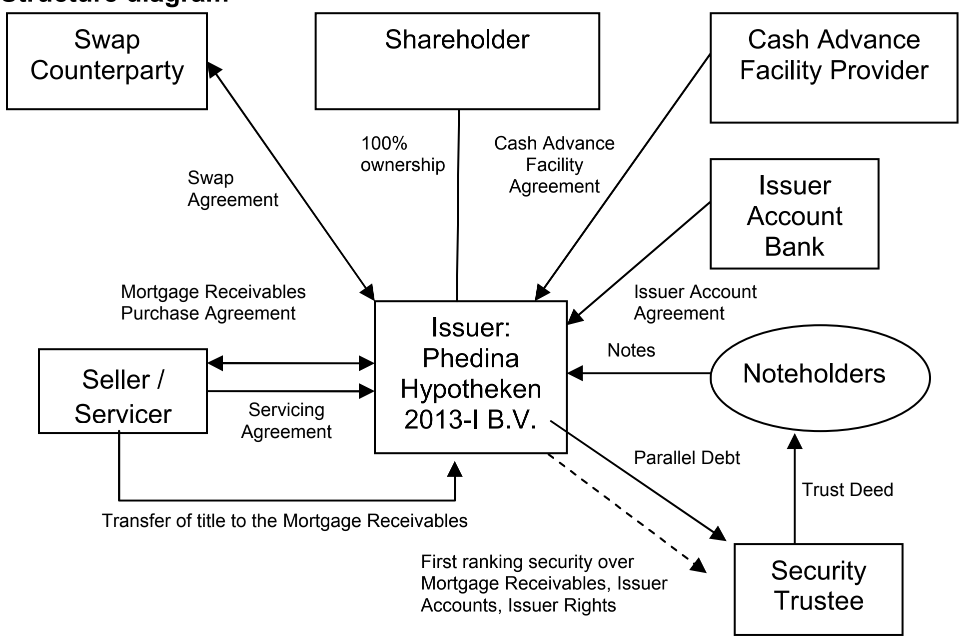
1 TRANSACTION OVERVIEW

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

1.1 Structure diagram



1.2 Risk factors

There are certain risk factors which the prospective Noteholders should take into account. These risk factors relate to, *inter alia*, the Notes, such as (but not limited to) the fact that the liabilities of the Issuer under the Notes are limited recourse obligations whereby the ability of the Issuer to meet such obligations will be dependent on the receipt by it of funds under the Mortgage Receivables, the proceeds of the sale of any Mortgage Receivables and the receipt by it of other funds. Despite certain credit enhancement features, there remains a credit risk, liquidity risk, prepayment risk, maturity risk and interest rate risk relating to the Notes. Moreover, there are certain structural and legal risks relating to the Mortgage Receivables (see section 2 (*Risk factors*)).

1.3 Principal parties

Issuer	Phedina Hypotheken 2013-I B.V., incorporated under Dutch law as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands and registered with the Trade Register under number 57321078. The entire issued share capital of the Issuer is held by the Shareholder.
Seller	BNP Paribas Personal Finance B.V., incorporated under Dutch law as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands and registered with the Trade Register under number 33235784. The shares in BNP Paribas Personal Finance B.V. are held by BNP Paribas Personal Finance S.A.
Issuer Administrator	Intertrust (Netherlands) B.V., incorporated under Dutch law as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands and registered with the Trade Register under number 33144202. The entire issued share capital of the Issuer Administrator is held by Intertrust International Holding B.V.
Servicer	BNP Paribas Personal Finance.
Sub-Servicers	Stater Nederland B.V., incorporated under Dutch law as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), having its official seat (*statutaire zetel*) in Amersfoort, the Netherlands and registered with the Trade Register under number 08716725. Novalink B.V., incorporated under Dutch law as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), having its official seat (*statutaire zetel*) in Amersfoort, the Netherlands and registered with the Trade Register under number 32138332.
Security Trustee	Stichting Security Trustee Phedina Hypotheken 2013-I, established under Dutch law as a foundation (*stichting*), having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands and registered with the Trade Register under number 57321426.
Shareholder	Stichting Phedina Hypotheken Holding, established under Dutch law as a foundation (*stichting*), having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands and registered with the Trade Register under number 50525778.
Directors	BNP Paribas Trust B.V., incorporated under Dutch law as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands and registered with the Trade Register under number 33191041, being a member of

the board of managing directors of the Issuer and the sole managing director of the Shareholder. The shares in BNP Paribas Trust B.V. are held by TFS Trust and Fiduciary services S.A., Geneva, Switzerland.

Intertrust (Netherlands) B.V., being a member of the board of managing directors of the Issuer and the sole managing director of the Security Trustee. The shares in Intertrust (Netherlands) B.V. are held by Intertrust International Holding B.V.

Guarantor	BNP Paribas S.A., incorporated and existing under French law as a public company with limited liability (*société anonyme*), having its official seat in Paris, France and registered with the trade register (*registre du commerce et des sociétés*) of Paris under number 662 042 449.
Issuer Account Bank	BNP Paribas Fortis SA/NV, incorporated and existing under Belgium law as a public company with limited liability (*société anonyme/naamloze vennootschap*), having its official seat in Brussels, Belgium, acting through its Amsterdam Branch whose offices are at Herengracht 595, 1017 CE Amsterdam, the Netherlands, and registered with the Trade Register under number 57794960.
Seller Collection Account Bank	The Royal Bank of Scotland N.V., incorporated under Dutch law as a public company with limited liability (*naamloze vennootschap*), having its official seat in Amsterdam, the Netherlands and registered with the Trade Register under number 33002587.
Cash Advance Facility Provider	BNP Paribas.
Swap Counterparty	BNP Paribas Personal Finance.
Back-Up Swap Counterparty	BNP Paribas.
Principal Paying Agent	BNP Paribas Securities Services, a *société en commandite par actions* (S.C.A.) incorporated under the laws of France, registered with the *Registre du Commerce et des Sociétés* of Paris under number 552 108 011, whose registered office is at 3, Rue d'Antin – 75002 Paris, France and acting through its Luxembourg Branch whose offices are at 33, rue de Gasperich, L-5826 Hesperange, having as postal address L-2085 Luxembourg and registered with the Luxembourg trade and companies register under number B. 86 862.
Paying Agent	BNP Paribas Securities Services, Amsterdam Branch.
Reference Agent	BNP Paribas Securities Services, Luxembourg Branch.
Arranger	BNP Paribas, London Branch.

Joint Lead Managers	BNP Paribas, London Branch. Barclays Bank PLC, a company incorporated under English law, havings its registered office in London, United Kingdom. ING Bank N.V., incorporated under Dutch law as a public company with limited liability (*naamloze vennootschap*), havings its official seat in Amsterdam, the Netherlands and registered with the Trade Register under number 33031431. Lloyds TSB Bank plc, a company incorporated under English law, having its registered office in London, United Kingdom.
Clearing Institutions	Euroclear and Clearstream, Luxembourg.
Listing Agent	BNP Paribas Securities Services.
Credit Rating Agencies	S&P and Fitch. Each of the Credit Rating Agencies is established in the European Union and is registered under the CRA Regulation.
Insurance Savings Participants	ASR Levensverzekering N.V., incorporated under Dutch law as a public company with limited liability (*naamloze vennootschap*), having its official seat (*statutaire zetel*) in Utrecht, the Netherlands and registered with the Trade Register under number 30000847 with respect to Savings Mortgage Loans and Hybrid Mortgage Loans to which a Savings Insurance Policy or a Savings Investment Insurance Policy of ASR is connected; BNP Paribas Cardif Levensverzekeringen N.V., incorporated under Dutch law as a public company with limited liability (*naamloze vennootschap*), having its official seat (*statutaire zetel*) in Oosterhout NB, the Netherlands and registered with the Trade Register under number 20100175 with respect to Savings Mortgage Loans and Hybrid Mortgage Loans to which a Savings Insurance Policy or a Savings Investment Insurance Policy of Cardif is connected; and SRLEV N.V., incorporated under Dutch law as a public company with limited liability (*naamloze vennootschap*), having its official seat (*statutaire zetel*) in Alkmaar, the Netherlands and registered with the Trade Register under number 34297413 with respect to Savings Mortgage Loans and Hybrid Mortgage Loans to which a Savings Insurance Policy or a Savings Investment Insurance Policy of SRLEV is connected.

1.4 Notes

Notes	The EUR 175,000,000 senior class A1 mortgage-backed notes 2013 due 2045, the EUR 765,000,000 senior class A2 mortgage-backed notes 2013 due 2045, the EUR 25,000,000 mezzanine class B mortgage-backed notes 2013 due 2045, the EUR 20,000,000 mezzanine class C mortgage-backed notes 2013 due 2045,

the EUR 15,000,000 junior class D mortgage-backed notes 2013 due 2045 and the EUR 10,000,000 subordinated class E notes 2013 due 2045 will be issued by the Issuer on the Closing Date.

Issue Price

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

(i) the Class A1 Notes, 100 per cent.;
(ii) the Class A2 Notes, 100 per cent.;
(iii) the Class B Notes, 100 per cent.;
(iv) the Class C Notes, 100 per cent.;
(v) the Class D Notes, 100 per cent.; and
(vi) the Class E Notes, 100 per cent.

Denomination

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

Status and Ranking

The Notes of each Class rank *pari passu* without any preference or priority among Notes of the same Class. In accordance with the Conditions and the Trust Deed, prior to the delivery of an Enforcement Notice, (i) payments of principal on the Class A2 Notes will be subordinated to, *inter alia*, payments of principal on the Class A1 Notes, (ii) payments of principal and interest, respectively, on the Class B Notes will be subordinated to, *inter alia*, payments of principal and interest, respectively, on the Class A Notes, (iii) payments of principal and interest, respectively, on the Class C Notes will be subordinated to, *inter alia*, payments of principal and interest, respectively, on the Class A Notes and the Class B Notes, (iv) payments of principal and interest, respectively, on the Class D Notes will be subordinated to, *inter alia*, payments of principal and interest, respectively, on the Class A Notes, the Class B Notes and the Class C Notes and (v) payments of principal and interest, respectively, on the Class E Notes will be subordinated to, *inter alia*, payments of interest on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes. See further section 4.1 (*Terms and Conditions*).

The obligations of the Issuer in respect of the Notes will rank behind the obligations of the Issuer in respect of certain items set forth in the applicable Priority of Payments. See further section 5.2 (*Priority of Payments)*.

Interest

Interest on the Notes will accrue from (and including) the Closing Date by reference to successive Interest Periods and will be payable quarterly in arrear in euro in respect of the Principal Amount Outstanding on a Notes Payment Date. Each successive Interest Period will commence on (and include) a Notes Payment Date and end on (but exclude) the next succeeding Notes Payment Date, except for the first Interest Period which will commence on (and include) the Closing Date and end on (but exclude) the Notes Payment Date falling in November 2013. The interest will be calculated on the basis of the actual number of calendar days elapsed in an Interest Period divided by 360 (or if any portion of that Interest Period falls in a leap year, the sum of (i) the actual number of calendar days in that portion of the Interest Period failing in a leap year divided by 366 and (ii) the actual number of calendar days in that portion of the Interest Period falling in a non-leap year divided by 360).

Interest on the Notes for the first Interest Period will accrue from (and include) the Closing Date at an annual rate equal to the linear interpolation between the Euribor for four-months deposits in euro and the Euribor for five-months deposits in euro (determined in accordance with Condition 4 (*Interest*)) plus a margin per annum which will be 0.30 per cent. for the Class A1 Notes, 0.85 per cent. for the Class A2 Notes, 1.80 per cent., for the Class B Notes, 3.00 per cent., for the Class C Notes, 4.00 per cent., for the Class D Notes and 5.00 per cent. for the Class E Notes.

Interest on the Notes for each successive Interest Period up to (but excluding) the First Optional Redemption Date will accrue from the first Notes Payment Date at an annual rate equal to Euribor for three-months deposits in euro (determined in accordance with Condition 4 (*Interest*)) plus a margin per annum which will be 0.30 per cent. for the Class A1 Notes, 0.85 per cent. for the Class A2 Notes, 1.80 per cent., for the Class B Notes, 3.00 per cent., for the Class C Notes, 4.00 per cent., for the Class D Notes and 5.00 per cent. for the Class E Notes.

Interest Step-up

If on the First Optional Redemption Date the Class A Notes have not been redeemed in full, the margin for the Class A Notes will increase and the interest applicable to the Class A Notes will then be equal to Euribor for three-months deposits in euro, payable by reference to Interest Periods on each Notes Payment Date, plus a margin per annum which will for the Class A1 Notes be 0.60 per cent. and for the Class A2 Notes be 1.70 per cent.. For the Class B Notes, such margin will remain at 1.80 per cent. per annum, for the Class C Notes such margin will remain at 3.00 per cent. per annum, for the Class D Notes such margin will remain at 4.00 per cent. per annum and for the Class E Notes such margin will remain at 5.00 per cent. per annum.

Final Maturity Date

Unless previously redeemed as provided below, the Issuer will, subject to and in accordance with the Conditions, redeem any remaining Notes outstanding on the Final Maturity Date at their respective Principal Amount Outstanding, together with accrued interest, on such date, subject to and in accordance with the Conditions.

Payment of Principal on the Notes

Prior to the delivery of an Enforcement Notice, the Issuer shall on each Notes Payment Date apply the Available Principal Funds, subject to and in accordance with the Conditions and the Redemption Priority of Payments, towards redemption, at their respective Principal Amount Outstanding, of (i) *firstly*, the Class A1 Notes until fully redeemed and subsequently the Class A2 Notes until fully redeemed, (ii) *secondly*, the Class B Notes until fully redeemed, (iii) *thirdly*, the Class C Notes until fully redeemed and (iv) *fourthly*, the Class D Notes until fully redeemed.

Prior to the delivery of an Enforcement Notice, payment of principal on the Class E Notes will be made subject to and in accordance with the Conditions, on each Notes Payment Date to the extent Available Revenue Funds are available in accordance with the Revenue Priority of Payments.

Optional Redemption of the Notes	The Issuer will have the option to redeem, subject to Condition 9(b) (*Principal*), all (but not only part of) the Notes (other than the Class E Notes) on the First Optional Redemption Date and on each Optional Redemption Date thereafter at their Principal Amount Outstanding plus accrued but unpaid interest thereon, after payment of the amounts to be paid in priority to such Notes.
Redemption following clean-up call	On the Notes Payment Date following the exercise by the Seller of the Clean-Up Call Option, the Issuer shall redeem, subject to Condition 9(b) (*Principal*), all (but not only part of) the Notes (other than the Class E Notes), subject to and in accordance with the Redemption Priority of Payments, at their Principal Amount Outstanding plus accrued but unpaid interest thereon, after payment of the amounts to be paid in priority to such Notes.
Redemption following regulatory call	In addition, on the Notes Payment Date following the exercise by the Seller of the Regulatory Call Option, the Issuer shall redeem, subject to Condition 9(b) (*Principal*), all (but not only part of) the Notes (other than the Class E Notes), subject to and in accordance with the Redemption Priority of Payments, at their Principal Amount Outstanding plus accrued but unpaid interest thereon, after payment of the amounts to be paid in priority to such Notes.
Redemption for tax reasons	In the event of certain tax changes affecting any Class of Notes, including in the event that the Issuer is or will be obliged to make any withholding or deduction from payments in respect of any Class of Notes the Issuer (whilst not under any obligation to pay additional amounts in respect of any withholding or deduction) may (but is not obliged to) redeem all (but not only part of) the Notes (other than the Class E Notes), at their Principal Amount Outstanding together with accrued but unpaid interest thereon up to and including the date of redemption, subject to and in accordance with the Conditions, including, without limitation, Condition 9(b) (*Principal*).
Method of Payment	For as long as the Notes are represented by a Global Note, payments of principal and interest will be made in euro to a common safekeeper for Euroclear and Clearstream, Luxembourg, for the credit of the respective accounts of the Noteholders.
Withholding tax	All payments of, or in respect of, principal and interest on the Notes will be made without withholding of, or deduction for any present or future taxes, duties, assessments or charges of whatsoever nature imposed or levied by or on behalf of the Netherlands, any authority therein or thereof having power to tax unless

the withholding or deduction of such taxes, duties, assessments or charges are required by law. In that event, the Issuer will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the Noteholders, as the case may be, and shall not be obliged to pay any additional amounts to such Noteholders.

Use of proceeds

The Issuer will apply the net proceeds from the issue of the Notes (other than the Class E Notes) towards payment of part of the Initial Purchase Price for the Mortgage Receivables purchased by the Issuer on the Closing Date pursuant to the provisions of the Mortgage Receivables Purchase Agreement. See section 7.1 (*Purchase, repurchase and sale)*.

The proceeds from the issue of the Class E Notes will be used to fund the Reserve Account.

Security for the Notes

The Noteholders will benefit from the security created by the Issuer in favour of the Security Trustee pursuant to the Pledge Agreements.

Under the Trust Deed, the Issuer will undertake to pay to the Security Trustee, under the same terms and conditions, an amount equal to the aggregate of all its undertakings, liabilities and obligations to the Joint Lead Managers as initial Noteholders, the Directors, the Servicer, the Issuer Administrator, the Paying Agents, the Reference Agent, the Insurance Savings Participants, the Cash Advance Facility Provider, the Swap Counterparty, the Back-Up Swap Counterparty, the Noteholders and the Seller pursuant to the relevant Transaction Documents, provided that every payment in respect of such Transaction Documents for the account of or made to the Secured Creditors directly shall operate in satisfaction pro tanto of the corresponding covenant in favour of the Security Trustee (such a payment undertaking and the obligations and liabilities resulting from it being referred to as the Parallel Debt).

The Notes will be secured indirectly, through the Security Trustee, by (a) a first ranking pledge granted by the Issuer to the Security Trustee over the Mortgage Receivables, including all rights ancillary thereto in respect of the Mortgage Loans and the Beneficiary Rights relating thereto and (b) a first ranking pledge by the Issuer to the Security Trustee over the Issuer's rights under or in connection with the Mortgage Receivables Purchase Agreement, the Swap Agreement, the Conditional Deed of Novation, the Servicing Agreement, the Issuer Account Agreement, the Cash Advance Facility Agreement, the Insurance Savings Participation Agreements, the Beneficiary Waiver Agreement, the Guarantee and in respect of the Issuer Transaction Accounts. See for a more detailed description section 4.7 (*Security*).

The amounts payable by the Security Trustee to the Secured Creditors under the Trust Deed will be limited to the net amounts available for such purpose to the Security Trustee which, for the greater part, will consist of amounts recovered by the Security Trustee from the Mortgage Receivables. Payments to the Secured Creditors (other than the Insurance Savings Participants) will be made in accordance with the Post-Enforcement Priority of Payments.

Listing	Application has been made to list the Notes on Euronext Amsterdam. Listing is expected to take place on or about 27 June 2013.
Rating	It is a condition precedent to issuance that, upon issue, the Class A1 Notes be assigned an 'AAA (sf)' rating by S&P and an 'AAAsf' rating by Fitch, the Class A2 Notes be assigned an 'AAA (sf)' rating by S&P and an 'AAAsf' rating by Fitch, the Class B Notes, upon issue, be assigned an 'A+ (sf)' rating by S&P and an 'AAsf' rating by Fitch and the Class C Notes, upon issue, be assigned an 'A (sf)' rating by S&P and an 'BBBsf' rating by Fitch. The Class D Notes and the Class E Notes will not be assigned a rating. The identifier "sf" stands for "structured finance". The addition of the identifier (sf) indicates only that the instrument is deemed to meet the regulatory definition of "structured finance" as referred to in the CRA Regulation. In no way does it modify the meaning of the rating itself.

1.5 Credit structure

Available Funds	The Issuer will use receipts of principal and interest in respect of the Mortgage Receivables together with amounts it receives under the Issuer Account Agreement, the Insurance Savings Participation Agreements and the Swap Agreement as well as amounts it is entitled to draw under the Cash Advance Facility Agreement to make payments of, *inter alia*, principal and interest due in respect of the Notes.
Priority of Payments	The obligations of the Issuer in respect of the Notes will rank behind the obligations of the Issuer in respect of certain items set forth in the applicable Priority of Payments and (i) the right to payment of principal and interest on the Class B Notes, the Class C Notes and the Class D Notes will be subordinated to, *inter alia*, the right to payment of principal and interest on the Class A Notes and (ii) the right to payment of principal and interest, respectively, on the Class E Notes will be subordinated to, *inter alia*, the right to payment of interest on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, and in each case, may be limited as more fully described herein in section 4.1 (*Terms and Conditions*).
Issuer Collection Account	The Issuer shall maintain with the Issuer Account Bank the Issuer Collection Account to which, *inter alia*, all amounts of interest, Prepayment Penalties and principal received under the Mortgage Receivables will be transferred by the Seller (or the Servicer on its behalf) in accordance with the Servicing Agreement.
Reserve Account	The Issuer shall maintain with the Issuer Account Bank the Reserve Account to which the proceeds of the Class E Notes will be credited on the Closing Date. The purpose of the Reserve Account will be to enable the Issuer to meet the

Issuer's payment obligations under items (a) up to and including (m) of the Revenue Priority of Payments in the event of a shortfall of the Available Revenue Funds (excluding items (v) and (vi) of the definition thereof) on any Notes Payment Date. See *Reserve Account* in section 5.6 (*Transaction Accounts*).

Cash Advance Facility Agreement

On the Signing Date, the Issuer will enter into a 364-day term Cash Advance Facility Agreement with the Cash Advance Facility Provider under which the Issuer will be entitled to make drawings in order to meet certain shortfalls in the Available Revenue Funds. See *Cash Advance Facility* in section 5.5 (*Liquidity support*).

Cash Advance Facility Stand-by Drawing Account

The Issuer shall maintain with the Issuer Account Bank the Cash Advance Facility Stand-by Drawing Account into which any Cash Advance Facility Stand-by Drawing to be made under the Cash Advance Facility Agreement will be deposited.

Issuer Account Agreement

The Issuer, the Issuer Account Bank and the Security Trustee will enter into the Issuer Account Agreement, under which the Issuer Account Bank will agree to pay a guaranteed rate of interest determined by reference to EONIA minus a margin (with a minimum of zero per cent.) on the balance standing from time to time to the credit of each of the Issuer Collection Account, the Reserve Account and the Cash Advance Facility Stand-by Drawing Account.

Swap Agreement

On the Signing Date, the Issuer, the Security Trustee and the Swap Counterparty will enter into the Swap Agreement to hedge the risk between, inter alia, the rate of interest to be received by the Issuer on the Mortgage Receivables and the rate of interest payable by the Issuer on the Notes. See section 5.4 (*Hedging*). If, inter alia, the Swap Counterparty fails to make, when due, any payment to the Issuer under the Swap Agreement or is declared bankrupt (*failliet*), the Swap Agreement shall be novated to the Back-Up Swap Counterparty pursuant to the Conditional Deed of Novation.

1.6 Portfolio information

Mortgage Loans

The Mortgage Receivables to be sold by the Seller pursuant to the Mortgage Receivables Purchase Agreement will result from Mortgage Loans which (a) in respect of NHG Mortgage Loan Parts have the benefit of a NHG Guarantee and (b) are secured by a first-ranking Mortgage or, in case of Mortgage Loans secured on the same Mortgaged Asset, first (1^{st}) and sequentially lower ranking Mortgages over (i) real estate (*onroerende zaak*), (ii) an apartment right (*appartementsrecht*), or (iii) a long lease (*recht van erfpacht*) situated in the Netherlands and entered into by the Seller and the Borrowers which meet the criteria for such Mortgage Loans set forth in the Mortgage Receivables Purchase Agreement. The Mortgage Loans, in whole or in part, will consist of (a) Linear Mortgage Loans (*lineaire hypotheken*), (b) Interest-only Mortgage Loans (*aflossingsvrije hypotheken*), (c) Annuity Mortgage Loans (*annuïteitenhypotheken*), (d) Life Mortgage Loans (*universal life/levenhypotheken*), (e) Investment Mortgage Loans (*beleggingshypotheken)*, (f) Savings Mortgage Loans (*spaarhypotheken*) and (g) Hybrid Mortgage Loans (*hybride hypotheken*). See further section 6.2 *(Description of Mortgage Loans)*.

Each Mortgage Loan shall have the benefit of a Risk Insurance Policy (i.e. an insurance policy which pays out upon the death of the insured) taken out by the Borrower with an Insurance Company in the event and to the extent the relevant Mortgage Loan exceeds seventy-five (75) or hundred (100) per cent. (the applicable percentage depends on the type of Mortgage Loan and/or the date of origination) of the Foreclosure Value of the relevant Mortgaged Asset. NHG Mortgage Loan Parts will have the benefit of a separate Risk Insurance Policy in the event and to the extent the relevant Mortgage Loan exceeds eighty (80) per cent. of the Market Value of the relevant Mortgaged Asset. In the case of Mortgage Loans consisting of more than one Loan Part including a Life Mortgage Loan, Savings Mortgage Loan or Hybrid Mortgage Loan such Risk Insurance Policy may be included in the relevant Life Insurance Policy, Savings Insurance Policy or Savings Investment Insurance Policy.

NHG Mortgage Loan Parts

A portion of the Mortgage Loans consists of one or more Loan Parts which have the benefit of an NHG Guarantee. See further *Table 13* under section *6.1 (Stratification tables)* and under section *6.5 (NHG Guarantee programme)*.

Linear Mortgage Loans

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

Interest-only Mortgage Loans

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

Annuity Mortgage Loans

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

Life Mortgage Loans	A portion of the Mortgage Loans or parts thereof will be in the form of Life Mortgage Loans, i.e. mortgage loans which have the benefit of a Life Insurance Policy. Under a Life Mortgage Loan, no principal is paid until maturity but instead the Borrower pays a premium to the relevant Insurance Company on a monthly basis. The premiums paid by such Borrower are invested by the relevant Insurance Company in certain investment funds. It is the intention that a Life Mortgage Loan will be fully repaid by means of the proceeds of the relevant Life Insurance Policy. The Life Insurance Policies are pledged to the Seller. See for more detail sections 2 *(Risk factors)* and 6.2 *(Description of Mortgage Loans)*.
Investment Mortgage Loans	A portion of the Mortgage Loans or parts thereof will be in the form of Investment Mortgage Loans, i.e. mortgage loans under which the Borrower does not pay principal prior to the maturity of the mortgage loan, but instead undertakes to invest, on an instalment basis or up front, defined amounts in certain investment funds. The amounts invested take the form of participations in the investment funds selected by the Borrower and are credited to a Borrower Investment Account in the name of the relevant Borrower. It is the intention that an Investment Mortgage Loan will be fully repaid with the proceeds of the investments held in the relevant Borrower Investment Account. The Borrower Investment Accounts are pledged to the Seller. See for more detail sections 2 *(Risk factors)* and 6.2 (*Description of Mortgage Loans)*.
Savings Mortgage Loans	A portion of the Mortgage Loans or parts thereof will be in the form of Savings Mortgage Loans which consist of mortgage loans entered into by the Seller and the relevant Borrowers combined with a Savings Insurance Policy. A Savings Insurance Policy consists of a combined risk and capital insurance policy taken out by a Borrower with ASR, Cardif or SRLEV in connection with the relevant Savings Mortgage Loan. Under a Savings Mortgage Loan no principal is paid by the Borrower prior to the maturity of the loan. Instead, the Borrower pays a Savings Premium. The Savings Premium is calculated in such a manner that, on an annuity basis, the proceeds of the Savings Insurance Policy due by the relevant Savings Insurance Company to the relevant Borrower will be equal to the amount due by the Borrower to the Seller at maturity of the Savings Mortgage Loan. It is the intention that the Savings Mortgage Loans will be fully the repaid by means of the proceeds of the Savings Insurance Policies. The Savings Insurance Policies are pledged to the Seller. See for more detail sections 2 *(Risk factors)* and 6.2 *(Description of Mortgage Loans)*. In respect of the Savings Mortgage Loans to which a Savings Insurance Policy of ASR is connected, ASR will, as Insurance Savings Participant, agree to use an amount equal to the amount of the Savings Premiums actually received (and the interest received on the Insurance Savings Participation) to acquire an Insurance Savings Participation in the relevant Savings Mortgage Receivables.

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

In respect of the Savings Mortgage Loans to which a Savings Insurance Policy of SRLEV is connected, SRLEV will, as Insurance Savings Participant, agree to use an amount equal to the amount of the Savings Premiums actually received (and the interest received thereon) to acquire an Insurance Savings Participation in the relevant Savings Mortgage Receivables.

Hybrid Mortgage Loans

A portion of the Mortgage Loans or parts thereof will be in the form of Hybrid Mortgage Loans which are (*inter alia*) offered by the Seller under the name Hybride Hypotheek. Under an Hybrid Mortgage Loan the Borrower does not pay principal prior to maturity of the Mortgage Loan, but instead takes out a Savings Investment Insurance Policy with ASR, Cardif or SRLEV whereby part of the premiums paid is invested in a Hybrid Investment Fund and/or deposited into the Hybrid Savings Fund. The Borrowers may at any time switch (*omzetten*) their investments among the Hybrid Investment Funds and to and from the Hybrid Savings Fund. It is the intention that the Hybrid Mortgage Loans will be fully repaid by means of the proceeds of the Savings Investment Insurance Policies. The Savings Investment Insurance Policies are pledged to the Seller. See for more detail sections 2 (*Risk factors*) and 6.2 (*Description of Mortgage Loans*).

In respect of Hybrid Mortgage Loans to which a Savings Investment Insurance Policy of ASR is connected, ASR will, as Insurance Savings Participant, agree to use an amount equal to the amount of the Savings Premiums actually received (and the interest received thereon) to acquire an Insurance Savings Participation in the relevant Hybrid Mortgage Receivables.

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

In respect of Hybrid Mortgage Loans to which a Savings Investment Insurance Policy of SRLEV is connected, SRLEV will, as Insurance Savings Participant, agree to use an amount equal to the amount of the Savings Premiums actually received (and the interest received thereon) to acquire an Insurance Savings Participation in the relevant Hybrid Mortgage Receivables.

1.7 Portfolio documentation

Mortgage Receivables

Under the Mortgage Receivables Purchase Agreement, the Issuer will purchase and accept the assignment of any and all Mortgage Receivables of the Seller against certain Borrowers under or in connection with certain selected Mortgage Loans (which may consist of one or more Loan Parts) originated by the Seller and that are secured by a Mortgage.

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

Mandatory repurchase of Mortgage Receivables

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

(a) on the Mortgage Collection Payment Date immediately following the date on which the Seller becomes aware of, or, if applicable, the date on which the relevant remedy period expires, if any of the representations and warranties given by the Seller in respect of the relevant Mortgage Loan and/or the relevant Mortgage Receivable, including the representation and warranty that the Mortgage Loan or, as the case may be, the Mortgage Receivable meets the Mortgage Loan Criteria, are untrue or incorrect;

(b) on the Mortgage Collection Payment Date immediately following the Mortgage Calculation Period during which the Seller agreed with a Borrower associated with such Mortgage Receivable to grant a Further Advance (which includes (i) a further advance made under a Mortgage Loan which will be secured by the same Mortgage as the loan previously disbursed under such Mortgage Loan (*verhoogde inschrijving*), (ii) a further advance made under a Mortgage Loan which will be secured by a second or sequentially lower ranking Mortgage as the loan previously disbursed under such Mortgage Loan (*verhoging*) and (iii) a new mortgage loan which is secured by the same Mortgage);

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

(d) on the Mortgage Collection Payment Date immediately following the date on which subject to the terms of a Hybrid Mortgage Loan a switch by a Borrower of whole or part of the premiums deposited into the Hybrid Savings Fund into an investment in one or more Hybrid Investment Funds becomes effective;

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

(f) on the Mortgage Collection Payment Date immediately following the date on which the Seller has notified the Issuer that, while it is entitled to make a claim under the NHG Guarantee, it will not make such claim.

The purchase price will be calculated as described in section 7.1 (*Purchase, repurchase and sale*).

Optional Repurchase of Mortgage Receivables

In addition, the Seller may (without the obligation to do so) repurchase and accept re-assignment of all (but not only part of) the Mortgage Receivables on any Notes Payment Date on which the aggregate Principal Amount Outstanding of the Notes (in case of a Principal Shortfall in respect of any Class of Notes, less such aggregate Principal Shortfall) is not more than ten (10) per cent. of the aggregate Principal Amount Outstanding of the Notes on the Closing Date and upon the occurrence of a Regulatory Change. The purchase price will be calculated as described in section 7.1 (*Purchase, repurchase and* s*ale*).

Insurance Savings Participation Agreements:

The Issuer will enter into an Insurance Savings Participation Agreement with each of the Insurance Savings Participants under which each of the Insurance Savings Participants will acquire participations in the relevant Savings Mortgage Receivables and/or in the relevant Hybrid Mortgage Receivables if and to the extent the Borrowers invest part of the premiums paid on the relating Savings Investment Insurance Policy by making a deposit into the Hybrid Savings Fund (see further *Savings Mortgage Loans* and *Hybrid Mortgage Loans* in section 2 (*Risk factors*)). In each of the Insurance Savings Participation Agreements the relevant Insurance Savings Participant will undertake to pay to the Issuer on each Mortgage Collection Payment Date an amount equal to the sum of all amounts actually received as Savings Premiums on the relevant Savings Insurance Policies or the relevant Savings Investment Insurance Policies, as well as the Switched Savings Participations.

In return, the Insurance Savings Participants are entitled to receive the Insurance Savings Participation Redemption Available Amount from the Issuer. The amount of the Insurance Savings Participation with respect to a Savings Mortgage Receivable and an Hybrid Mortgage Receivable consists of (a) the initial participation at the Closing Date, which is equal to the sum of all amounts scheduled to be received up to such date by the relevant Insurance Company as Savings Premiums in respect of such Mortgage Receivables and accrued interest, (b) increased on a monthly basis with an amount equal to the sum of (i) the Savings Premiums due to the relevant Insurance Savings Participant and paid to the Issuer, plus, in case of a Savings Investment Insurance Policy, the Switched Savings Participation, if any, and (ii), a *pro rata* part, corresponding to the Insurance Savings Participation in the relevant Savings Mortgage Receivable or Hybrid Mortgage Receivable, of the interest due by the Borrower in respect of such Savings Mortgage Receivable or Hybrid Mortgage Receivable. The aggregate Initial Insurance Savings Participations with respect to the Savings Mortgage Receivables and Hybrid Mortgage Receivables purchased by the Issuer on the Closing Date amounts to EUR 31,144,359.91. See further section 7.6 (*Sub-participation*).

Sale of Mortgage Receivables: On any Optional Redemption Date and on any Notes Payment Date following the exercise by it of the Tax Call Option, the Issuer has the right to sell and assign all (but not only part of) the Mortgage Receivables to any party, provided that the Seller has a pre-emption right pursuant to which the Issuer shall first offer the Seller to buy and repurchase the Mortgage Receivables and that the Issuer will be entitled to sell and assign the Mortgage Receivables to any third party if the Seller does not inform the Issuer within a period of fifteen (15) Business Days from the date the offer was notified to the Seller of its intention to buy and repurchase the Mortgage Receivables. The Issuer shall be required to apply the proceeds of such sale towards redemption of the Notes (other than the Class E Notes), in accordance with and subject to the Conditions and the Redemption Priority of Payments.

The purchase price will be calculated as described in section 7.1 (*Purchase, repurchase and sale*).

Servicing Agreement: Under the Servicing Agreement, the Servicer will agree 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 Loans and the implementation of arrears procedures including, if applicable, the enforcement of Mortgages (see further sections 6.3 (*Origination and servicing by Originator)* and 7.4 (*Servicing Agreement)*. The Servicer has appointed Stater and Novalink as its sub-servicers under the terms of the Servicing Agreement.

1.8 General

Issuer Administration Under the Administration Agreement, the Issuer Administrator will agree to provide certain administration, calculation and cash management services for

Agreement:	the Issuer on a day-to-day basis, including without limitation, all calculations to be made in respect of the Notes pursuant to the Conditions (see section 5.7 *(Administration Agreement*)).
Management Agreements:	The Issuer, the Security Trustee and the Shareholder will each enter into Management Agreements with the relevant Director in which the relevant Director will undertake to act as a managing director of the Issuer, the Security Trustee and the Shareholder, respectively, and to perform certain services in connection therewith.
Secured Creditors Agreement	Under the Secured Creditors Agreement each Secured Creditor agrees and confirms that the security provided pursuant to the provisions of the Pledge Agreements shall, indirectly, through the Security Trustee, be for the exclusive benefit of the Secured Creditors (including for the avoidance of doubt, the Noteholders). Under the Secured Creditors Agreement each Secured Creditor moreover agrees to be bound by the relevant terms and provisions of the Trust Deed including, but not limited to, the limited recourse and non-petition provisions contained therein.
Governing Law:	The Transaction Documents (which also include the Notes), other than the Swap Agreement, and any non-contractual obligations arising out of or in relation to the Transaction Documents other than the Swap Agreement, will be governed by and construed in accordance with Dutch law. The Swap Agreement and any non-contractual obligations arising out of or in relation to the Swap Agreement, will be governed by and construed in accordance with English law.

2 RISK FACTORS

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

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

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

RISKS RELATED TO THE NOTES

Liabilities under the Notes and limited recourse

The Notes will be solely the obligations of the Issuer. The Notes will not be obligations or responsibilities of, or guaranteed by, any other entity or person, acting in whatever capacity, including, without limitation, the Seller, the Servicer, the Issuer Administrator, the Arranger, the Joint Lead Managers, the Insurance Savings Participants, the Issuer Account Bank, the Cash Advance Facility Provider, the Swap Counterparty, the Back-Up Swap Counterparty, the Paying Agents, the Reference Agent, the Guarantor, the Directors or the Security Trustee, provided that following delivery of an Enforcement Notice any amounts received or recovered by the Security Trustee under the Pledge Agreements will be distributed by the Security Trustee to, *inter alios*, the Noteholders, subject to and in accordance with the Post-Enforcement Priority of Payments. Furthermore, the Seller, the Servicer, the Issuer Administrator, the Arranger, the Joint Lead Managers, the Insurance Savings Participants, the Issuer Account Bank, the Cash Advance Facility Provider, the Swap Counterparty, the Back-Up Swap Counterparty, the Paying Agents, the Reference Agent, the Guarantor or the Directors or any other person, acting in whatever capacity, other than the Security Trustee in respect of limited obligations under the Trust Deed, will accept any liability whatsoever to Noteholders in respect of any failure by the Issuer to pay any amounts due under the Notes.

The ability of the Issuer to meet its obligations to repay in full all principal of and to pay all interest on the Notes will be dependent on the receipt by it of funds under the Mortgage Receivables, the proceeds of the sale of any Mortgage Receivables, payments under the Swap Agreement and the

Insurance Savings Participation Agreements, interest in respect of the balances standing to the credit of the Issuer Transaction Accounts, the availability of the Reserve Account and the amounts to be drawn under the Cash Advance Facility. See further under section 5 (*Credit structure*). The Issuer does not have other resources available. There can be no assurance that the Issuer will have sufficient funds to fulfil its payment obligations under the Notes.

In particular, the Issuer is subject to the risk of default in payment by the Borrowers and the failure by the Servicer to realise or recover sufficient funds under the arrears and default procedures in respect of the relevant Mortgage Receivables in order to discharge all amounts due and owing by the relevant Borrowers under the relevant Mortgage Receivables. This risk may affect the Issuer's ability to make payments on the Notes, but is mitigated to some extent by certain credit enhancement features which are described in section 5 (*Credit structure)*. There is no assurance that these measures will protect the Noteholders of any Class against all risks of losses.

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

Risks inherent to the Notes

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

(i) Credit risk

There is a risk of non-payment of principal and interest on the Notes due to non-payment of principal and interest on the Mortgage Receivables, despite the following:

(a) in respect of the NHG Mortgage Loan Parts only, the fact that the NHG Mortgage Loan Parts have the benefit of a NHG Guarantee;

(b) in case of the Class A Notes, the subordinated ranking of the Class B Notes, the Class C Notes and the Class D Notes;

(c) in case of the Class B Notes, the subordinated ranking of the Class C Notes and the Class D Notes;

(d) in case of the Class C Notes, the subordinated ranking of the Class D Notes;

(e) the Reserve Account; and

(f) the Excess Spread.

The proceeds of the Class E Notes will be credited to the Reserve Account. Principal on the Class E Notes will be paid out of the (i) Excess Spread and (ii) the balance standing to the credit of the Reserve Account upon redemption of the Class A Notes, Class B Notes, Class C Notes and Class D Notes in accordance with the Revenue Priority of Payments.

(ii) Liquidity risk

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

(iii) Prepayment risk

There is a risk that the level of prepayments by the Borrowers can vary and therefore result in an average life of the Notes which is shorter or longer than anticipated. The level of prepayment of Mortgage Loans is influenced by a wide variety of economic, social and other factors, including prevailing market interest rates, changes in tax law (including, but not limited to, amendments to mortgage interest tax deductibility), local and regional economic conditions and changes in Borrowers' behaviour (including, but not limited to, home-owner mobility). There is no guarantee as to the level of prepayment that the Mortgage Receivables may experience and variation in the rate of prepayments of principal in respect of the Mortgage Receivables may affect each Class of Notes differently.

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

There is a risk that the Issuer will not have received sufficient principal to fully redeem the Notes at maturity. The Final Maturity Date for the Notes is the Notes Payment Date falling in November 2045. The Issuer has on any Optional Redemption Date pursuant to Condition 6(f) (*Optional redemption*) the option to sell and assign all (but not only part of) the Mortgage Receivables to any party, provided however that the Issuer shall, before selling the Mortgage Receivables to a third party, make an offer to the Seller to purchase such Mortgage Receivables. The Issuer shall be required to apply the proceeds of such sale, to the extent relating to principal, to redeem the Notes (other than the Class E Notes) in accordance with the Conditions and the Redemption Priority of Payments. If the Issuer does not exercise this option on the First Optional Redemption Date, the interest margin for the Class A Notes will increase and as from the First Optional Redemption Date will be equal to a floating rate based on three-months Euribor plus the margin set out in Condition 4(d) (*Interest following the First Optional Redemption Date*). Accordingly, the Issuer may or may not have an incentive to exercise its right to redeem the Notes (other than the Class E Notes) on the First Optional Redemption Date or any Notes Payment Date thereafter. However, no guarantee can be given that the Issuer will exercise its option (which will depend, *inter alia*, on whether the Issuer will have sufficient funds, including, following any sale of the Mortgage Loans to a third party (which may or may not be available)) and therefore that the Notes will be redeemed on the First Optional Redemption Date or any Notes Payment Date thereafter.

In addition to an optional redemption pursuant to Condition 6(f) (*Optional redemption*) of the Notes, the Notes may be redeemed prematurely by the Issuer pursuant to Condition 6(g) (*Redemption following clean-up call*) following the exercise by the Seller of its Clean-up Call Option, pursuant to Condition 6(h) (*Redemption for tax reasons*), following the exercise by the Issuer of its Tax Call Option or pursuant to Condition 6(i) (*Redemption following the regulatory call*) following the exercise by the Seller of its Regulatory Call Option. In such circumstances, Noteholders may not be able to invest the amounts received as a result of the redemption of the Notes on conditions, including, the rate of investment return, similar to those of the relevant Notes. See further section 4.1 (*Terms and Conditions)*.

(v) Interest rate risk

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

(vi) Structural/legal risk

As to the structural/legal risks relating to the Notes, reference is made to, *inter alia*, paragraphs *Transfer of legal title to Mortgage Receivables, Set-off by Borrowers may affect the proceeds under the Mortgage Receivables, Risks related to Mortgages and Borrower Pledges, Risks related to Insurance Policies* and *Reduced value of investments and incomplete or misleading material* in this section below.

Credit rating may not reflect all risks

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time. The ratings to be assigned to the Notes (other than the Class D Notes and the Class E Notes) by the Credit Rating Agencies are based on the value and cash flow-generating ability of the Mortgage Receivables and other relevant structural features of the transaction, including, *inter alia*, the short-term and/or long-term unsecured and unsubordinated debt rating (in relation to S&P) or the short-term and/or long-term issuer default rating (in relation to Fitch) of the other parties involved in the transaction, such as the providers and guarantors of ancillary facilities (i.e. the Issuer Account Bank, Back-Up Swap Counterparty, Guarantor, Seller Collection Account Bank and Cash Advance Facility Provider) and reflect only the view of each of the Credit Rating Agencies.

There is no assurance that any such rating will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by any of the Credit Rating Agencies as a result of changes in or unavailability of information or if, in any of the Credit Rating Agencies' judgement, circumstances so warrant. Any credit rating agency other than the Credit Rating Agencies could seek to rate the Notes and if such unsolicited ratings are lower than the comparable ratings assigned to the Notes (other than the Class D Notes and the Class E Notes) by the Credit Rating Agencies, such unsolicited ratings could have an adverse effect on the value of the Notes. For the avoidance of doubt, any references to "ratings" or "rating" in this Prospectus are to ratings assigned by the Credit Rating

Agencies only. Future events, including, but not limited to, events affecting the Back-Up Swap Counterparty and the Guarantor and/or circumstances relating to the Mortgage Receivables and/or the Dutch residential mortgage market, in general could have an adverse effect on the ratings of the Notes as well.

Any revision, suspension or withdrawal of the ratings of the Notes (other than the Class D Notes and the Class E Notes) may have an adverse effect on the market value of the Notes and the ability of the Noteholders to sell or acquire credit protection on their Notes readily.

The ratings assigned to the Notes (other than the Class D Notes and the Class E Notes) may be revised, suspended or withdrawn at any time, despite Credit Rating Agency Confirmation

In addition, the Transaction Documents may provide that upon the occurrence of a certain event or matter, the Security Trustee needs to obtain a Credit Rating Agency Confirmation before it is allowed to take any action or consent to an amendment of the relevant Transaction Documents as a result of the occurrence of such event or matter. An exception applies only in the case of an amendment or alteration of a Transaction Document which is of a formal, minor or technical nature or is made to correct a manifest error and is notified to the Credit Rating Agencies.

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

Listing of the Notes

Application has been made for the Notes to be listed on Euronext Amsterdam on the Closing Date. However, there is no assurance that the Notes will be admitted to listing on Euronext Amsterdam. If the Class A Notes are not admitted to listing they will not be recognised as Eurosystem Eligible Collateral.

Foreign Account Tax Compliance Act

The Foreign Account Tax Compliance provisions of the U.S. Hiring Incentives to Restore Employment Act (**FATCA**) generally impose a new reporting regime and potentially a 30% withholding tax with respect to certain payments to certain non-US financial institutions (**FFIs**) (including entities such as the Issuer) that do not either (x) enter into and comply with an agreement with the U.S. Internal Revenue Service (**IRS**) to provide certain information on the holders of their debt or equity (other than debt or equity interests that are regularly traded on an established securities market) (an **FFI Agreement**) or (y) qualify for exemption from FATCA withholding under an intergovernmental agreement covering FATCA (an **IGA**). The Netherlands does not currently have an IGA with the United

States, although it has been announced that negotiations are in a final phase. Payments from US sources for US federal income tax purposes and payments attributable to US-source payments are potentially subject to withholding. The new withholding regime will be phased in beginning no earlier than 2014.

While the Issuer does not currently expect to receive any (material) amounts of US-source income, if the Issuer does not enter into an FFI Agreement or does not otherwise qualify for an exemption from FATCA, the Issuer may be subject to FATCA Withholding on payments attributable to US sources (including payments attributable to US sources received from other FFIs). Any such withholding imposed on the Issuer may reduce the amounts available to the Issuer to make payments on the Notes. If the Issuer enters into an FFI Agreement with the IRS, it would not be subject to such withholding. However, if the Issuer entered into an FFI Agreement, it would be required to comply with the terms of the Agreement. If the Issuer cannot comply with the FFI Agreement (for example because it cannot collect information on the holders of its debt or equity) the Issuer may lose the benefit of the FFI Agreement.

If the Issuer enters into an FFI Agreement, the Issuer (and other FFIs through which payments on the Notes are made) may also be required to withhold on certain payments treated as attributable to US sources for FATCA purposes (**foreign passthru payments**) and paid to either (i) other FFIs that have not entered into an FFI Agreement (and are not otherwise exempt from or in deemed compliance with FATCA) or (ii) investors that do not provide sufficient information about themselves to determine if a Note is beneficially owned by a U.S. person or non-U.S. entity with substantial U.S. owners. It is uncertain whether any payments made on the Notes would constitute foreign passthru payments subject to withholding, and there will be no withholding on foreign passthru payments under FATCA prior to at least 1 January 2017. With respect to Notes that are treated as debt for U.S. tax purposes (which may exclude subordinated Notes), withholding on foreign passthru payments would not apply to such Notes issued before the date that is six months after the date on which the U.S. Treasury Department publishes final regulations defining the term "foreign passthru payments" (so long as the terms of such Notes are not materially modified after that date). However, if an amount were required to be withheld from any payment on the Notes under FATCA, neither the Issuer nor any other person would be required to pay additional amounts as a result of such withholding.

FATCA is complex and its application to the Issuer is uncertain at this time. No assurance can be provided regarding steps the Issuer will take to address FATCA. In particular, it is uncertain whether the Netherlands will enter into an IGA with the United States. The terms of an IGA between the Netherlands and the United States would significantly affect whether the Issuer is subject to FATCA withholding. Prospective investors are advised to consult with their own tax advisors regarding the possible application of FATCA to the Notes and the potential effects on investors if the Issuer enters into an FFI Agreement.

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

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

The secondary mortgage markets are currently experiencing disruptions resulting from reduced investor demand for mortgage loans and mortgage-backed securities and increased investor yield requirements for those loans and securities. As a result, the secondary market for mortgage-backed securities is experiencing limited liquidity. These conditions may improve, continue or worsen in the future. Limited liquidity in the secondary market for mortgage-backed securities has had and may continue to have an adverse effect on the market value of mortgage-backed securities, especially those securities that are more sensitive to credit or interest rate risk and those securities that have been structured to meet the investment requirements of limited categories of investors. Consequently, investors may not be able to sell or acquire credit protection on their Notes readily. The market values of the Notes are likely to fluctuate and may be difficult to determine. Any of these fluctuations may be significant and could result in significant losses to investors. In addition, the forced sale into the market of mortgage-backed securities held by structured investment vehicles, hedge funds, issuers of collateralised debt obligations and other similar entities that are currently experiencing funding difficulties could adversely affect an investor’s ability to sell the Notes and/or the price an investor receives for the Notes in the secondary market.

Whilst central bank schemes such as the European Central Bank liquidity scheme provide an important source of liquidity in respect of eligible securities, recent restrictions in respect of the relevant eligibility criteria for eligible collateral which apply and will apply in the future under such facilities are likely to adversely impact secondary market liquidity for mortgage-backed securities in general, regardless of whether the Notes are eligible securities.

The Notes may not be a suitable investment for all investors

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

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

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

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

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

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

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

Subordination

To the extent set forth in Conditions 4 (*Interest*), 6 (*Redemption*) and 9 (*Principal Deficiency, Principal Shortfall and Interest Shortfall*), prior to the delivery of an Enforcement Notice, (i) payments of principal and interest on the Class B Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes, (ii) payments of principal and interest on the Class C Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes and the Class B Notes, (iii) payments of principal and interest on the Class D Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes, the Class B Notes and the Class C Notes and (iv) payments of principal and interest on the Class E Notes are subordinated to, *inter alia,* payments of interest on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes.

Prior to the delivery of an Enforcement Notice, payments of principal on the Class E Notes will be made subject to and in accordance with the Conditions, on each Notes Payment Date to the extent Available Revenue Funds are available in accordance with the Revenue Priority of Payments.

If, upon default by the Borrowers and after exercise by the Servicer of all available remedies in respect of the applicable Mortgage Loans, the Issuer does not receive the full amount due from such Borrowers, Noteholders may receive by way of principal repayment on the Notes an amount less than the face amount of their Notes and the Issuer may be unable to pay in full interest due on such Notes, to the extent set forth in Condition 9 (*Principal Deficiency, Principal Shortfall and Interest Shortfall*). On any Notes Payment Date, any such losses on the Mortgage Loans will be allocated as described in section 5.3 (*Loss allocation*).

Conflict of interest

Circumstances may arise when the interests of the holders of different Classes of Notes could conflict. The Trust Deed contains provisions requiring the Security Trustee to have regard to the interests of the Noteholders as regards all powers, trust, authorities, duties and discretions of the Security Trustee (except where expressly provided otherwise) each as a Class, but requiring the Security Trustee in any such case to have regard only to the interests of the most senior ranking Class of Noteholders, if, in the Security Trustee's opinion, there is a conflict between the interests of this Class of Noteholders on one hand and the lower ranking Class or, as the case may be, Classes of Noteholders on the other hand. In addition, the Security Trustee shall have regard to the interests of the other Secured Creditors, provided that in case of a conflict of interest between the Secured Creditors the Post-Enforcement Priority of Payments determines which interest of which Secured Creditor prevails.

No Extraordinary Resolution to sanction a change which would have the effect of accelerating or extending the maturity of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes, as the case may be, or any date for payment of interest thereon, reducing or cancelling the amount of principal or altering the rate of interest payable in respect of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes, as the case may be, shall take effect unless (i) the Issuer has agreed thereto, (ii) the Seller has agreed thereto and (iii) it shall have been sanctioned with respect to the Class A Notes by an Extraordinary Resolution of the Class B Noteholders, the Class C Noteholders, the Class D Noteholders or the Class E Noteholders.

An Extraordinary Resolution passed at any meeting of the Class A Noteholders shall be binding on all other Classes of Noteholders, irrespective of its effect upon them, except in case of an Extraordinary Resolution to sanction a Basic Terms Change or a change in the definition of Basic Terms Change, which shall not take effect unless it shall have been sanctioned by an Extraordinary Resolution of the lower ranking Classes of Noteholders or the Security Trustee is of the opinion that it will not be materially prejudicial to the respective interests of the lower ranking Classes of Noteholders.

Without prejudice to the paragraph below, an Extraordinary Resolution (other than a sanctioning Extraordinary Resolution referred to in the previous paragraph) passed at any meeting of a Class of Noteholders (other than the Class A Noteholders) or, as the case may be, Classes of Noteholders (other than the Class A Noteholders) shall not be effective, unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders or the Security Trustee is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders.

An Extraordinary Resolution passed at any meeting of a Class of Noteholders (other than the Class A Noteholders) or, as the case may be, Classes of Noteholders (other than the Class A Noteholders), which is effective in accordance with the paragraph above, shall be binding on all other Classes of Noteholders, irrespective of its effect upon them, except in case of an Extraordinary Resolution to sanction a Basic Terms Change or a change in the definition of Basic Terms Change, which shall not take effect unless it shall have been sanctioned by an Extraordinary Resolution of the other Classes of Noteholders or the Security Trustee is of the opinion that it will not be materially prejudicial to the respective interests of the other Classes of Noteholders and provided that the Seller has given its consent thereto.

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

Certain Transaction Parties, including but not limited to the Seller, the Joint Lead Managers, the Arranger, the Swap Counterparty, the Back-Up Swap Counterparty, the Issuer Administrator, the Cash Advance Facility Provider, the Guarantor and the Paying Agent, may act in different capacities in relation to the Transaction Documents and may also be engaged in other commercial relationships, in particular, be part of the same group, be lenders, provide banking, investment banking and other financial services to the Transaction Parties and other relevant parties. In such relationships, *inter alios*, the Seller, the Joint Lead Managers, the Arranger, the Swap Counterparty, the Back-Up Swap Counterparty, the Issuer Administrator, the Cash Advance Facility Provider, the Guarantor and the Paying Agent are not obliged to take into consideration the interests of the Noteholders. Accordingly, because of these relationships, potential conflicts of interest may arise out of the transaction.

BNP Paribas Personal Finance as Noteholder

BNP Paribas Personal Finance has undertaken to retain a material net economic interest of not less than five per cent. in the securitisation transaction described in this Prospectus in accordance with Article 122a of the CRD and is not excluded from purchasing additional Notes. For so long as these Notes (or part thereof) are held by BNP Paribas Personal Finance, it will be entitled to all of the rights to which the holders of such Notes are entitled (including, without limitation, voting rights). By reason of its roles as, *inter alia*, Seller and Servicer, BNP Paribas Personal Finance' interests, with respect to the holding of such Notes, may be different from that of other Noteholders. So long as BNP Paribas Personal Finance continues to hold the Notes (or part thereof), in the exercise of the rights to which it is entitled under such Notes, it will be in its interests to minimise any adverse impact or potential adverse impact on BNP Paribas Personal Finance in its other capacities.

Modification, authorisation and waiver without consent of Noteholders

The Security Trustee may agree, without the consent of the Noteholders, to (i) any modification of any of the provisions of the Transaction Documents which is of a formal, minor or technical nature or is made to correct a manifest error and is notified to the Credit Rating Agencies, and (ii) any other modification (except if prohibited in the Transaction Documents), and any waiver or authorisation of any breach or proposed breach of any of the provisions of the Transaction Documents, which is in the opinion of the Security Trustee not materially prejudicial to the interests of the Noteholders, in respect of (ii) only, provided that each Credit Rating Agency has provided a Credit Rating Agency Confirmation in respect of the relevant event or matter.

The Noteholders agree and hereby acknowledge that the Security Trustee is entitled to assume, for the purposes of exercising any power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents, that such exercise will not be materially prejudicial to the interests of the Noteholders if a Credit Rating Agency Confirmation of each of the Credit Rating Agencies has been obtained that the then current rating of the applicable classes of Notes would not be adversely affected by such exercise.

By obtaining a Credit Rating Agency Confirmation each of the Security Trustee, the Noteholders and the other Secured Creditors will be deemed to have agreed and/or acknowledged that (i) a credit rating is an assessment of credit only and does not address other matters that may be of relevance to the Noteholders or the other Secured Creditors, (ii) neither the Security Trustee, nor the Noteholders, nor the other Secured Creditors have any right of recourse to or against the relevant Credit Rating Agency in respect of the relevant Credit Rating Agency Confirmation which is relied upon by the Security Trustee and that (iii) reliance by the Security Trustee on a Credit Rating Agency Confirmation does not create, impose on or extend to the relevant Credit Rating Agency any actual or contingent liability to any person (including, without limitation, the Security Trustee and/or the Noteholders and/or the other Secured Creditors) or create any legal relations between the relevant Credit Rating Agency and the Security Trustee, the Noteholders, the other Secured Creditors or any other person whether by way of contract or otherwise.

Eligibility of the Class A Notes for Eurosystem monetary policy

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

The Governing Council of the European Central Bank decided in December 2010 to implement loan-level data reporting requirements for asset-backed securities as part of the Eurosystem's collateral framework. For residential mortgage-backed securities, this is mandatory from 3 January 2013. Accordingly, if loan-level data reporting requirements are not complied with, Eurosystem eligibility of the Class A Notes may not, or may not continue to be, recognised.

EU Council Directive on taxation of savings income

Under the EU Council Directive 2003/48/EC on the taxation of savings income, Member States are required, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories have adopted similar measures. Pursuant to Condition 5(d) (*Payment*), 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) (*Payment*), in which case there remains a risk that under certain circumstances the interest payments under the Notes become subject to withholding tax.

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

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

Changes to the Basel II Capital Accord

Amendments may be made to the current Basel II Capital Accord (**Basel II**) promulgated by the Basel Committee on Banking Supervision as set forth in the CRD or in the international, European or Dutch regulations, rules and instructions applicable to credit and financial institutions in Europe. In the Netherlands the above directives have been implemented in the Wft. In light of the financial crisis, the European Parliament adopted in 2009 three directives amending the above mentioned directives. Implementation in the legislation of the relevant EU Member States of these amendments had to occur at the latest on 31 October 2010, and has occurred in the Netherlands. Each Member State is obliged to apply these measures as from 31 December 2010. On 12 September 2010, the Group of Governors and Heads of Supervision, the oversight body of the Basel Committee on Banking Supervision, announced a substantial strengthening of existing capital requirements and fully endorsed the agreements it reached on 26 July 2010, where new rules were proposed amending the existing Basel II on bank capital requirements (**Basel III**). The 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 States are or 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. As of the date of this Prospectus, a number of Member States, including those forming the European Union, have not yet implemented Basel III and exact timing of implementation is not yet known. 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 directive of the European Parliament and of the Council on the taking-up and pursuit of the business of Insurance and Reinsurance, 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 the risk-weighting of the Notes in respect of certain investors if those investors are regulated in a manner which will be affected by these amendments. Consequently, prospective investors should consult their own advisers as to the consequences of and the effect on them of the application of Basel II and Basel III, as implemented by their own regulator, to their holding of any Notes. It cannot be excluded that further amendments will be proposed and will have to be implemented in the legislation of the relevant EU Member States, which may have a further impact on, among other things, the risk weighting of the Notes.

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

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

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

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

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

On 31 December 2010 the Committee of European Banking Supervisors (**CEBS**), currently the European Banking Authority (EBA), published its Guidelines to Article 122a of the CRD. Pursuant to the Policy Guideline on the application of EBA Guidelines Act on Financial Supervision 2012 (*Beleidsregel toepassing EBA richtsnoeren Wft 2012*) the DNB takes these EBA Guidelines into account, while supervising compliance with the rules relating to exposure to transferred credit risks as set out in chapter 7 of the Regulation securitizations Act on Financial Supervision 2011 (*Regeling securitisaties Wft 2011*). Investors who are still uncertain as to the requirements that will need to be complied with in order to avoid the additional regulatory capital charges for non-compliance with Article 122a of the CRD should seek guidance from their regulator. Similar requirements to those set out in Article 122a of the CRD 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.

Change of law

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

Reliance on third parties

Counterparties to the Issuer may not perform their obligations under the Transaction Documents, which may result in the Issuer not being able to meet its obligations. It should be noted that there is a risk that, *inter alios*, either (a) BNP Paribas Personal Finance in its capacity as Seller, Servicer and Swap Counterparty, (b) BNP Paribas Securities Services, Amsterdam Branch in its capacity as Paying

Agent, (c) BNP Paribas Fortis SA/NV, Amsterdam Branch in its capacity as Issuer Account Bank, (d) BNP Paribas in its capacity as Cash Advance Facility Provider, Back-Up Swap Counterparty and Guarantor, (e) BNP Paribas Securities Services in its capacity as Listing Agent, Principal Paying Agent and Reference Agent, (f) Intertrust (Netherlands) B.V. in its capacity as Issuer Administrator, (g) ASR Levensverzekering N.V. in its capacity as Insurance Savings Participant, (h) BNP Paribas Cardif Levensverzekeringen N.V. in its capacity as Insurance Savings Participant and (i) SRLEV N.V. in its capacity as Insurance Savings Participant, will not perform its obligations vis-à-vis the Issuer.

If a termination event occurs pursuant to the terms of the Servicing Agreement, then the Issuer and/or the Security Trustee will be entitled to terminate the appointment of the Servicer and appoint a new servicer in its place. There can be no assurance that a substitute servicer with sufficient experience of administering mortgages of residential properties would be found who would be willing and able to service the Mortgage Receivables on the terms of the Servicing Agreement. Any delay or inability to appoint a substitute servicer may affect the realisable value of the Mortgage Receivables or any part thereof, and/or the ability of the Issuer to make payments under the Notes. The Servicer does not have any obligation itself to advance payments to the Issuer that Borrowers fail to make in a timely fashion. Noteholders will have no right to consent to or approve of any actions taken by the Servicer under the Servicing Agreement.

Swap Agreement

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

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

The Swap Counterparty will be obliged to make payments under the Swap Agreement without any withholding or deduction of taxes unless required by law. If any such withholding or deduction is required by law, the Swap Counterparty will be required to pay such additional amount as is necessary to ensure that the net amount actually received by the Issuer will equal the full amount that the Issuer would have received had no such withholding or deduction been required. The Swap Agreement will provide, however, that if due to any change in tax law after the date of the Swap Agreement, the Swap Counterparty will, or there is a substantial likelihood that it will, be required to pay to the Issuer additional amounts for or on account of tax, the Swap Counterparty may (provided that the Security Trustee has notified the Credit Rating Agencies of such event and with the consent of the Issuer) transfer its rights and obligations to another of its offices, branches or affiliates or any other person that meets the criteria for a swap counterparty as set forth in the Swap Agreement to avoid the relevant tax event. The Swap Counterparty will at its own cost, if it is unable to transfer its rights and obligations under the Swap Agreement to another office, have the right to terminate the Swap Agreement. Upon such termination, the Issuer or the Swap Counterparty may be liable to make a termination payment to the other party.

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

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

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

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

In the event that the Back-Up Swap Counterparty suffers a rating downgrade to below the Requisite Credit Rating, or such rating is withdrawn, the Issuer may terminate the related Swap Agreement if the Swap Counterparty fails, within a set period of time, to take certain actions intended to mitigate the effects of such downgrade or withdrawal. Such actions may include the Swap Counterparty collateralising its obligations under the Swap Agreement, transferring its obligations to a replacement swap counterparty having the Requisite Credit Rating or procuring that an entity with the Requisite Credit Rating becomes a co-obligor with or guarantor of the Swap Counterparty. However in the event the Back-Up Swap Counterparty is downgraded there can be no assurance that a co-obligor, guarantor or replacement swap counterparty will be found or that the amount of collateral provided will be sufficient to meet the Swap Counterparty's obligations. See section 5.4 (*Hedging*) below for further details of the provisions of the Swap Agreement related to a downgrade in the ratings of the Swap Counterparty.

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

The Swap Agreement provides that, in the event that any payment by the Issuer to the Swap Counterparty is less than the amount which the Issuer would be required to pay to the Swap Counterparty, the corresponding payment obligation of the Swap Counterparty to the Issuer shall be reduced by an amount equal to such shortfall. See further in section 5.4 (*Hedging*).

Risk related to the Special Measures Financial Institutions Act

A new act, the *Wet bijzondere maatregelen financiële ondernemingen* (the Special Measures Financial Institutions Act), has been adopted and has entered into effect on 13 June 2012, which introduces far-reaching intervention powers of (i) the DNB with regard to a bank or insurer having its official seat (*statutaire zetel*) in the Netherlands or a Dutch branch of a bank or insurer having its official seat in a country which is not a Member State which is experiencing serious financial problems of which it is foreseeable that these cannot be timely or adequately resolved (*probleeminstelling*) and (ii) the Dutch Minister of Finance with regard to financial institutions (*financiële ondernemingen*), in particular if this is necessary to safeguard the stability of the financial system. Virtually the whole Special Measures Financial Institutions Act shall have retroactive effect as of 20 January 2012.

The Special Measures Financial Institutions Act includes (amongst others) new powers for DNB to procure that a "*probleeminstelling*" is transferred, in whole or in part, to a third party. The Dutch Minister of Finance is to be granted extensive powers to intervene at financial institutions if this is necessary to safeguard the stability of the financial system. In order to increase the efficacy of these special measures, the proposed Special Measures Financial Institutions Act contains provisions restricting the contractual rights of counterparties of a bank or insurer, or a group company (*tot dezelfde groep behorende onderneming*) of such bank or insurer, including, without limitation, the right to invoke certain contractual provisions or notification events as a result of the bank or insurer having been subjected to certain measures pursuant to the Special Measures Financial Institutions Act (*gebeurtenis*). There is therefore a risk that the enforceability of the rights and obligations of the parties to the Transaction Documents may be affected on the basis of the Special Measures Financial Institutions Act, which may lead to losses under the Notes. If a transfer of Mortgage Receivables is completed prior to the occurrence of a "*gebeurtenis*", such transfer will not be affected by the rules described in the previous two sentences.

RISKS RELATED TO THE MORTGAGE RECEIVABLES

Loan to foreclosure value ratio

The Mortgage Loans have an Original Loan to Original Foreclosure Value Ratio of up to and including 130 per cent. The appraisal foreclosure value (*executiewaarde*) of the property on which a Mortgage is vested is normally lower than the market value (*vrije verkoopwaarde*) of the relevant mortgaged property. There can be no assurance that, on enforcement, all amounts owed by a Borrower under a Mortgage Loan can be recovered from the proceeds of the foreclosure on the relevant Mortgaged Asset or that the proceeds upon foreclosure will be at least equal to the Original Foreclosure Value or the Original Market Value of such Mortgaged Asset (see section 6.2 (*Description of Mortgage Loans*)). The higher the ratio of the current loan to original market value, the current loan to indexed market value, the current loan to original foreclosure value or the current loan to indexed foreclosure value, the higher the possibility that this risk will materialise. Materialisation of this risk may lead to losses under the Notes.

Risks related to the NHG Guarantee

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

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

Finally, the NHG Conditions stipulate that the amount guaranteed by Stichting WEW under a NHG Guarantee (irrespective of the type of redemption of the mortgage loan) is reduced on a monthly basis by an amount which is equal to the amount of the principal portion of the monthly instalment calculated as if the mortgage loan were to be repaid on a thirty (30) year annuity basis. The actual redemption structure of a Mortgage Loan can be different (see section 6.2 (*Description of the Mortgage Loans*)). This may result in the Issuer not being able to fully recover any loss incurred with Stichting WEW under a NHG Guarantee and may consequently lead to the Issuer not having sufficient funds to fully repay the Notes.

Rating of the State of the Netherlands

The rating given to the Notes (other than the Class D Notes and the Class E Notes) by the Credit Rating Agencies is based in part on modelling which takes into account any NHG Guarantee granted in connection with the Mortgage Loans. NHG Guarantees are backed by the State of the Netherlands. The State of the Netherlands is currently rated 'Aaa' by Moody's Investors Service Ltd., 'AAA' by S&P and 'AAA' by Fitch. The current outlook of Moody's Investors Service Ltd., S&P and Fitch for the State of the Netherlands is negative. In the event that (a) the rating assigned to the State of the Netherlands is lowered by a Credit Rating Agency, or (b) Stichting WEW, if it has a rating assigned to it, has that rating lowered by a Credit Rating Agency, this may result in a review by the Credit Rating Agencies of the rating ascribed to the Notes (other than the Class D Notes and the Class E Notes) and could potentially result in a downgrade to the rating of the Notes (other than the Class D Notes and the Class E Notes).

Considerations relating to the Parallel Debt

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

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

Transfer of legal title to Mortgage Receivables

Under Dutch law a transfer of title by way of assignment of a receivable can be effected either by means of (a) a deed of assignment executed between the assignee and the assignor and a notification of the assignment to the relevant debtor (the so-called *openbare cessie*) or (b) a notarial deed or a registered deed of assignment, without notification, until an Assignment Notification Event occurs, of the assignment to the relevant debtor being required (the so-called *stille cessie*). In the latter case notification to the debtor, however, will still be required to prevent such debtor from validly discharging its obligations (*bevrijdend betalen*) under the receivable by making a payment to the relevant assignor. The legal ownership of the Mortgage Receivables will be transferred by the Seller to the Issuer on the relevant date of purchase and assignment through a registered deed of assignment and pledge. The Mortgage Receivables Purchase Agreement provides that such transfer of legal title to the Mortgage Receivables by the Seller to the Issuer will not be notified to the Borrowers unless certain events (referred to as **Assignment Notification Events**) occur. For a description of these Assignment Notification Events reference is made to section 7.1 (*Purchase, repurchase and sale*).

Until notification of the transfer of legal title has been made to the Borrowers, the Borrowers can only validly discharge their obligations (*bevrijdend betalen*) under the relevant Mortgage Loan by making a payment to the Seller. The Seller has undertaken in the Mortgage Receivables Purchase Agreement to pay (or procure that the Servicer shall pay on its behalf) on the sixth (6^{th}) Business Day of each calendar month all amounts received by it in respect of the Mortgage Loans with respect to the immediately preceding Mortgage Calculation Period. However, receipt of such amounts by the Issuer is subject to the Seller actually making such payments. There is a risk that the Seller is not able to make such payment which would affect the ability of the Issuer to perform its payment obligations under the Notes.

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

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

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

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

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

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

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

As at the Closing Date, the Seller is not entitled to accept deposits from the Borrowers. If after the Closing Date, the Seller obtains a banking license, it will then be entitled to accept deposits from the Borrowers. If the Seller receives deposits from the Borrowers and would for any reason fail to fulfil its obligation of repayment vis-à-vis the Borrowers (i.e. the Borrowers will have a claim against the Seller), the Issuer has been advised that the Borrowers would have the right to set off the balance standing on the deposits with the Seller with amounts due under the Mortgage Loans. In the Mortgage Receivables Purchase Agreement, the Seller has undertaken with the Issuer and the Security Trustee that as from the Mortgage Collection Payment Date immediately following the date it has accepted deposits from the Borrowers, it shall (i) if and to the extent necessary, fund an additional cash account held by the

Issuer at the Issuer Account Bank such that, on such Mortgage Collection Payment Date and on each Mortgage Collection Payment Date thereafter until all Notes (other than the Class E Notes) have been redeemed or written off in full, the amount credited to such cash account is at least equal to the aggregate amounts of deposits of such Borrowers as of the last day of the calendar month immediately preceding the relevant Mortgage Collection Payment Date or (ii) find any other solution in order to maintain the then current rating of the Notes (other than the Class D Notes and the Class E Notes). The Seller may, however, not comply with the above undertaking in the Mortgage Receivables Agreement. In such event, the Issuer shall under the terms of the Guarantee invoke the Guarantee for payment by the Guarantor to it at first written request of an amount equal to the amounts the Seller was required to deposit into the relevant cash account held by the Issuer. Receipt of such amounts by the Issuer under the Guarantee is subject to the ability of the Guarantor to actually make such payments. This may, in case Borrowers invoke set-off rights, result in the Issuer not having sufficient funds to meet its payment obligations under the Notes.

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

Risks related to Mortgages and Borrower Pledges

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

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

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

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

In addition, pursuant to the forms of mortgage deeds, the Borrowers have granted certain Borrower Pledges. Such rights of pledge secure the same liabilities as the Mortgage and therefore qualify as a so-called All Moneys Pledge.

The forms of mortgage deed used in respect of Mortgage Receivables do not provide that in case of assignment or pledge of the receivable the rights of pledge will (partially) follow the receivable. Therefore, there is no clear indication of the intention of the parties. The Issuer has been advised that also in such case there are good arguments for the view that the rights of pledge should (partially) follow the receivable as accessory and ancillary right upon its assignment, but that there is no case law explicitly supporting this advice and that, consequently, it is not certain what the Dutch courts would decide if this matter were to be submitted to them, particularly taking into account the prevailing view of Dutch legal commentators on All Moneys Security Rights in the past as described above, which view continues to be defended by some legal commentators.

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

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

Co-held All Moneys Security Rights

If the All Moneys Security Rights have (partially) followed the Mortgage Receivables upon assignment or pledge, this would imply that the All Moneys Security Rights may be co-held by the Seller and the Issuer securing the Mortgage Receivables held by the Issuer and any claims held by the Seller on the same Borrower in respect of which the rules applicable to co-ownership (*gemeenschap*) apply. The Dutch Civil Code provides for various mandatory rules applying to such co-owned rights. In the Mortgage Receivables Purchase Agreement the Seller, the Issuer and the Security Trustee will agree that the Issuer and/or the Security Trustee, as the case may be, will manage and administer such co-held rights. It is uncertain whether the foreclosure of the All Moneys Security Rights will be considered as day-to-day management, and, consequently whether, upon the Seller being declared bankrupt or being granted a suspension of payments, the consent of the Seller's bankruptcy trustee or administrator may be required for such foreclosure. The Seller, the Issuer and the Security Trustee will agree in the Mortgage Receivables Purchase Agreement that in case of foreclosure the share (*aandeel*) in each co-held Mortgage of the Security Trustee and/or the Issuer will be equal to the Outstanding Principal Amount of the Mortgage Receivable, increased with interest and costs, if any, and the share of the Seller will be equal to the Net Foreclosure Proceeds less the Outstanding Principal Amount of the Mortgage Receivables, increased with interest and costs, if any. It is uncertain whether this arrangement will be enforceable. In this respect it will be agreed that in case of a breach by the Seller of its obligations under these arrangements or if any of such agreements are dissolved, void, nullified, or ineffective for any reason in respect of the Seller, it shall compensate the Issuer and/or the Security Trustee, as the case may be, forthwith for any and all loss, cost, claim, damage and expense whatsoever which the Issuer and/or the Security Trustee, as the case may be, incurs as a result thereof. Receipt of such amount by the Issuer and/or the Security Trustee is subject to the ability of the Seller to actually make such payments.

Furthermore, in the Mortgage Receivables Purchase Agreement, the Seller will undertake that, if at any moment it shall grant or acquire any Other Claims on a Borrower, it shall, to further secure the obligations under the arrangements set out above, have an obligation to pledge, upon origination thereof, the Other Claims, if any, in favour of the Issuer and the Security Trustee. Such pledge (if vested) will secure the claim of the Issuer and the Security Trustee on the Seller created for this purpose equal to the share of the Seller in the foreclosure proceeds in relation to a defaulted Borrower, which claim becomes due and payable upon a default of the relevant Borrower.

Risks related to Insurance Policies

The Mortgage Loans which in whole or in part consist of a Life Mortgage Loan, a Savings Mortgage Loan or a Hybrid Mortgage Loan have the benefit of a Life Insurance Policy, Savings Insurance Policy, or Savings Investment Insurance Policy, respectively, in which a Risk Insurance Policy may be included. In case of a Life Insurance Policy, a Savings Insurance Policy or a Savings Investment Insurance Policy relating to a Life Mortgage Loan, Savings Mortgage Loan or Hybrid Mortgage Loan which do not include a Risk Insurance Policy and in respect of Mortgage Loans which do not include a Life Mortgage Loan, Savings Mortgage Loan or Hybrid Mortgage Loan, a separate Risk Insurance Policy needs to be taken out by the Borrower in the event and to the extent the relevant Mortgage Loan exceeds seventy-five (75) or (one hundred) 100 per cent. (the applicable percentage depends on the type of Mortgage Loan and/or the time of origination) of the Foreclosure Value of the relevant Mortgaged Asset. NHG Mortgage Loan Parts will have the benefit of a separate Risk Insurance Policy in the event and to the extent the relevant Mortgage Loan exceeds eighty (80) per cent. of the Market Value of the relevant Mortgaged Asset.

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

Pledge

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

Appointment of beneficiary

The Seller has been appointed as beneficiary under the Insurance Policies, except for cases where another beneficiary has been appointed who will rank ahead of the Seller. In such cases such beneficiary has provided a Borrower Insurance Proceeds Instruction. It is unlikely that the Beneficiary Rights will follow the Mortgage Receivables upon assignment or pledge thereof to the Issuer or the Security Trustee. The Beneficiary Rights will, to the extent legally possible, be assigned by the Seller to the Issuer and will be pledged by the Issuer to the Security Trustee (see section 4.7 (*Security*)), but it is uncertain whether this assignment and pledge will be effective.

Because of the uncertainty as to whether the Issuer becomes beneficiary of the Insurance Policies and whether the pledge of the Beneficiary Rights is effective, the Issuer will enter into the Beneficiary Waiver Agreement with the Seller and the Security Trustee. In the Beneficiary Waiver Agreement the Seller, subject to the condition precedent of the occurrence of an Assignment Notification Event, waive its rights as beneficiary under the Insurance Policies and appoints as first beneficiary (i) the Issuer subject to the dissolving condition of the occurrence of a Pledge Notification Event as referred to in clause 6 of the Issuer Mortgage Receivables Pledge Agreement relating to the Issuer and (ii) the Security Trustee under the condition precedent of the occurrence of a Pledge Notification Event referred to in the Issuer Mortgage Receivables Pledge Agreement. It is, however, uncertain whether such waiver and appointment will be effective, mainly because it is unclear whether or not the right to change the appointment can be validly assigned to the Issuer or is included in the rights of the Seller as pledgee or as beneficiary under the Insurance Policies. In view of this, the Seller will undertake to use its best efforts following an Assignment Notification Event to obtain the co-operation of all relevant parties to appoint the Issuer or the Security Trustee, as the case may be, as first beneficiary under the Insurance Policies. It is uncertain whether such co-operation will be forthcoming. In the event that a Borrower Insurance Proceeds Instruction exists, the Seller will undertake in the Beneficiary Waiver Agreement, following an Assignment Notification Event, to use its best efforts to change the payment instruction in favour of (i) the Issuer subject to the dissolving condition of the occurrence of a Pledge Notification Event relating to the Issuer and (ii) the Security Trustee under the condition precedent of the occurrence of a Pledge Notification Event relating to the Issuer. If the Issuer or the Security Trustee, as the case may be, has not become beneficiary of the Insurance Policies and the pledge and the waiver of the Beneficiary Rights are not effective, any proceeds under the Insurance Policies will be payable to the Seller or to another beneficiary, instead of the Issuer or the Security Trustee, as the case may be. If the proceeds are paid to the Seller, it will be obliged to pay the amount involved to the Issuer or the Security Trustee, as the case may be. There is a risk that the Seller is not able to make such payment which would affect the ability of the Issuer to perform its payment obligations under the Notes. If the proceeds are paid to the Seller and the Seller does not pay the amount involved to the Issuer or the Security Trustee, as the case may be, e.g. in the case of bankruptcy of the Seller or if the proceeds are paid to another beneficiary instead of the Issuer or the Security Trustee, as the case may be, this may result in the amount paid under the Insurance Policies not being applied in reduction of the Mortgage Receivable. This may lead to the Borrower invoking defences against the Issuer or the Security Trustee, as the case may be, for the amounts so received by the Seller as further discussed under *Set-off or defences* below in this section.

Insolvency of the Insurance Companies

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

Set-off or defences in relation to Life Mortgage Loans, Savings Mortgage Loans and Hybrid Mortgage Loans

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

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

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

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

Life Mortgage Loans

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

Savings Mortgage Loans and Hybrid Mortgage Loans

In respect of Savings Mortgage Loans and Hybrid Mortgage Loans the Issuer has been advised that there is a considerable risk that the invoking of a right of set-off or other defences, as described above, would be successful in view, *inter alia*, of the close connection between such Mortgage Loans and the relevant Insurance Policies and the fact that these Mortgage Loans and Insurance Policies are sold as one single package. However, the Insurance Savings Participation Agreements entered into between the Issuer and each of the Insurance Savings Participants in respect of the Savings Mortgage Loans and Hybrid Mortgage Loans will provide that in case of set-off or defences by Borrowers, including but not limited to a right of set-off or defence based upon a default in the performance by the relevant Savings Insurance Company of its obligations under the relevant Savings Insurance Policy or Savings Investment Insurance Policy, as a consequence of which the Issuer has not received any amount due and outstanding, the relevant Insurance Savings Participation of the relevant Insurance Savings Participant will be reduced by an amount equal to the amount which the Issuer has failed to receive. The amount of the Insurance Savings Participation in respect of a Savings Mortgage Loan or Hybrid Mortgage Loan is equal to the amount of Savings Premiums scheduled to be received by the Issuer plus the accrued yield on such amount (see section 7.6 (*Sub-participation*)), provided that the relevant Insurance Savings Participant will have paid all amounts due under the relevant Insurance Savings Participation Agreement to the Issuer. Therefore, normally the Issuer would not suffer any loss if the Borrower was to successfully invoke any such right of set-off or defence, if and to the extent that the amount for which the Borrower was to successfully invoke set-off or defences did not exceed the amount of the Insurance Savings Participation.

Investment Mortgage Loans

Under the Investment Mortgage Loans the Borrowers do not repay principal prior to maturity of the Mortgage Loans. Instead the Borrowers undertake to invest agreed amounts in certain investment funds. See further section 6.2 (*Description of Mortgage Loans)*.

The Seller has represented that under the investment mortgage loans (*beleggingshypotheken*) the securities are purchased on behalf of the relevant Borrower by the financial enterprise (*financiële onderneming*) at which the Borrower maintains its Borrower Investment Account and these securities are held in custody by an admitted institution of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. in accordance with the Securities Giro Act (*Wet Giraal Effectenverkeer*) or, if they do not qualify as such, the securities will be held in accordance with the requirements included in Section 6:14 of the Further Regulation on Conduct Supervision of Financial Enterprises (*Nadere regeling gedragstoezicht financiele ondernemingen Wft*) on the basis of which measures should be taken to sufficiently protect the rights of the Borrower with respect to the securities credited to its Borrower Investment Account. 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 on similar grounds as described under *Set-off or defences in relation to Life Mortgage Loans, Savings Mortgage Loans and Hybrid Mortgage Loans* above.

Pledge

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

Reduced value of investments and incomplete or misleading marketing material

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

In this respect it is further of note that in respect of so-called investment insurance policies, particularly those which were entered into prior to 1 January 2008, the promotional material provided by the relevant Insurance Company to its customers may have been incomplete or misleading as to the level of costs charged to the customer and lack of transparency about these costs. The issue relating to the high level of costs may have been solved to a certain extent by measures taken by the Insurance Companies to decrease the costs in accordance with a recommendation thereto by the Financial Services Ombudsman in 2008. However, participation in such a compensation arrangement generally does not affect the right of a customer to instigate legal proceedings against the Insurance Company or other parties in respect of the issue connected to the high costs or other issues. Therefore, Insurance Companies and other parties that are involved currently still run a risk to be subject of claims brought by customers with investment insurance policies in legal proceedings or complaints procedures.

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

Changes to tax deductibility of interest may result in adverse effects on house prices and an increase of defaults, prepayments and repayments

In the Netherlands, subject to a number of conditions, mortgage loan interest payments are partly or wholly deductible from the income of the Borrowers for income tax purposes. The period allowed for deductibility is restricted to a term of thirty (30) years and it only applies to mortgage loans in relation to owner occupied properties. It is, however, uncertain if and to what extent such deductibility will remain in force and for how long (particularly as it is increasingly the subject of political debate in the Netherlands). It is not allowed, after a refinancing, to deduct interest on any equity extractions. Interest may only be deducted if the increase in the amount borrowed under a mortgage loan is used to finance the difference between the purchase price of the new property (including expenses relating to the acquisition of that property) and the proceeds of the previous property (after deduction of expenses relating to the sale of that property).

For mortgage loans originated since 1 January 2013 (certain grandfathering rules apply in case a purchase or construction agreement has been entered into but no legal transfer has taken place yet), interest deductibility will only be available in respect of mortgage loans which amortise over thirty (30) years or less and are being amortised on at least an annuity basis. In addition to the mortgage loan, a second loan can be taken to a maximum of fifty (50) per cent. of the mortgage loan. With this additional loan the property is not being financed, but the mortgage loan is. The interest on this additional loan will not be deductible. Finally, an increasing rate of deemed income a property generates (*huurwaardeforfait*) implied a reducing net tax benefit as a result of interest deductions.

The coalition agreement for the new government as presented on 29 October 2012, includes measures pursuant to which, as from 2014, the maximum interest deductibility for mortgage loans for tax purposes will decrease annually at a rate of 0.5 per cent. from the income tax rate of 52 per cent. down to 42 per cent. The coalition agreement is not fully incorporated into legislation yet.

Any change or any other or further change to such deductibility and the right to deduct mortgage loan interest payments, may among other things have an effect on the house prices and the rate of recovery and, depending on the changes in treatment of existing mortgage loans, may result in an increase of defaults, and/or an increase or decrease of prepayments and repayments. There can be no assurance that the currently proposed changes in the tax deductibility will be implemented as proposed and/or whether or not other or further changes will be implemented.

Prepayment penalties that are incorporated in mortgage loan contracts tend to lower prepayment rates in the Netherlands. Penalties are generally calculated as the net present value of the interest loss to the lender upon prepayment. Lower rates of prepayment may lead to slower repayments of the principal amount outstanding of mortgage loans in the Netherlands. As a result, the exposure of the Seller to the Borrowers of the Mortgage Loans tends to remain high over time and the Issuer will have a similar position following the acquisition of the Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement.

Long leases

The Mortgages securing the Mortgage Loans may be vested on a long lease (*erfpacht*), as further described under section 6.2 (*Description of Mortgage Loans*).

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

Enforcement of Dutch security rights

The Notes will be secured indirectly, through the Security Trustee, by (i) a first ranking undisclosed right of pledge granted by the Issuer to the Security Trustee over the Mortgage Receivables, including all rights ancillary thereto in respect of the Mortgage Loans and the Beneficiary Rights relating thereto, and (ii) a first ranking disclosed pledge by the Issuer to the Security Trustee over the Issuer's rights under or in connection with the Mortgage Receivables Purchase Agreement, the Swap Agreement, the Conditional Deed of Novation, the Servicing Agreement, the Issuer Account Agreement, the Cash Advance Facility Agreement, the Insurance Savings Participation Agreements, the Beneficiary Waiver Agreement, the Guarantee and in respect of the Issuer Transaction Accounts. Notification of the undisclosed right of pledge in favour of the Security Trustee can be validly made after bankruptcy or the granting of a suspension of payments in respect of the Issuer. Under Dutch law the Security Trustee can, in the event of bankruptcy or suspension of payments of the Issuer, exercise the rights afforded by law to pledgees as if there were no bankruptcy or suspension of payments. However, bankruptcy or suspension of payments involving the Issuer would affect the position of the Security Trustee as pledgee in some respects, the most important of which are: (i) payments made by the

Borrowers to the Seller or, after notification of the assignment, to the Issuer, prior to notification of the right of pledge over the Mortgage Receivables but after bankruptcy or (preliminary) suspension of payments of the Seller or, as the case may be, the Issuer, will form part of the bankruptcy estate of the Seller or the Issuer, although the pledgee has the right to receive such amounts as a preferential creditor after deduction of certain bankruptcy-related costs, (ii) a mandatory freezing-period of up to four (4) months may apply in the case of bankruptcy or suspension of payments, which, if applicable, would delay the exercise of the right of pledge on the Mortgage Receivables and (iii) the pledgee may be obliged to enforce its right of pledge within a reasonable period as determined by the judge-commissioner (*rechter-commissaris*) appointed by the court in the case of bankruptcy of the Seller or the Issuer, as the case may be.

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

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

The Issuer has been advised that a good argument can be made that the right to reset the interest rate on the Mortgage Loans after the termination of the fixed interest period, should be considered as an ancillary right and follows the Mortgage Receivables upon their assignment to the Issuer and the pledge to the Security Trustee, but that in the absence of case law or legal literature this is not certain. To the extent the interest rate reset right passes upon the assignment of the Mortgage Receivables to the Issuer or upon the pledge of the Mortgage Receivables to the Security Trustee, such assignee or pledgee will be bound by the contractual provisions relating to the reset of interest rates. If the interest reset right remains with the Seller, the co-operation of the bankruptcy trustee (in bankruptcy) or administrator (in suspension of payments) would be required to reset the interest rates. It is uncertain whether or when such co-operation will be forthcoming.

Valuations, risks of losses associated with declining property values and the effect on the housing market owing to weakening economic conditions

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

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

To the extent that specific geographic regions within the Netherlands have experienced or may experience in the future weaker economic conditions and housing markets than other regions, a concentration of the loans in such a region could exacerbate certain risks relating to the Mortgage Loans. These circumstances could affect receipts on the Mortgage Loans and ultimately result in losses on the Notes.

See further sections 6.2 (*Description of Mortgage Loans)* and 6.4 (*Dutch residential mortgage market)*.

License requirements under the Wft

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

3 PRINCIPAL PARTIES

3.1 Issuer

The Issuer was incorporated as a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under Dutch law on 25 February 2013 under number BV 33191041. The official seat (*statutaire zetel*) of the Issuer is in Amsterdam, the Netherlands and its registered office is at Herengracht 537 (1017 BV) Amsterdam, the Netherlands and its telephone number is +31 (0)20 5215645. The Issuer is registered with the Trade Register under number 57321078.

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

The Issuer was established for the limited purposes of the issue of the Notes, the acquisition of the Mortgage Receivables and certain related transactions described elsewhere in this Prospectus. The Issuer operates under Dutch law, provided that it may enter into contracts which are governed by the laws of another jurisdiction than the Netherlands.

The Issuer has an authorised share capital of EUR 1.00 of which EUR 1.00 has been issued and is fully paid. The entire issued share capital of the Issuer is held by the Shareholder.

The board of managing directors (*bestuur*) of the Issuer consists of two members being BNP Paribas Trust B.V. and Intertrust (Netherlands) B.V.

BNP Paribas Trust B.V. is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), incorporated under Dutch law and has its official seat (*statutaire zetel*) in Amsterdam, the Netherlands. The managing directors of BNP Paribas Trust B.V. are A.C.H.J. Boulanger, N.M.A.E. Didier and H.E. Sijsling. The objectives of BNP Paribas Trust B.V. are, *inter alia*, to act as trust company and to provide a seat, management and administration to Dutch legal entities.

Intertrust (Netherlands) B.V. is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), incorporated under Dutch law and has its official seat (*statutaire zetel*) in Amsterdam, the Netherlands. The managing directors of Intertrust (Netherlands) B.V. are O.J.A. van der Nap, P. de Langen, D.J.C. Niezing and Nicole Wolthuis-Geeraedts. The objectives of Intertrust (Netherlands) B.V. are, *inter alia*, to act as trust company and to provide a seat, management and administration to Dutch legal entities.

BNP Paribas Trust B.V. belongs to the same group as BNP Paribas Personal Finance. Intertrust (Netherlands) B.V. is also appointed as the sole managing director of the Security Trustee. Therefore, a conflict of interest may arise. In this respect it is of note that in the management agreements entered into by each of the Directors with the entity of which it has been appointed as managing director, each of the Directors agrees and undertakes to, *inter alia*, (a) do all that an adequate managing director should do or should refrain from doing, and (b) refrain from taking any action detrimental to the obligations under any of the Transaction Documents or the then current rating assigned to the Notes (other than the Class D Notes and the Class E Notes) outstanding. In addition, each of the Directors agrees in the relevant Management Agreement that it will procure that the relevant entity will not enter into any agreement in relation to the Issuer and/or the Shareholder other than the Transaction Documents to which it is a party, unless permitted under the Transaction Documents, without the prior written consent of the Security Trustee and that the Security Trustee will not enter into any agreement other than the Transaction Documents to which it is a party, unless permitted under the Transaction Documents, without the prior written consent of the Issuer.

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

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

The financial year of the Issuer coincides with the calendar year. The first financial year shall end on 31 December 2013.

Capitalisation

The following table shows the capitalisation of the Issuer as of 25 February 2013 as adjusted to give effect to the issue of the Notes. A copy of the deed of incorporation including the articles of association of the Issuer may be obtained at the specified offices of the Issuer and at the specified offices of the Paying Agents during normal business hours.

Share Capital

Authorised Share Capital	EUR 1.00
Issued Share Capital	EUR 1.00

Borrowings

Class A1 Notes	EUR 175,000,000
Class A2 Notes	EUR 765,000,000
Class B Notes	EUR 25,000,000
Class C Notes	EUR 20,000,000
Class D Notes	EUR 15,000,000
Class E Notes	EUR 10,000,000
Initial Insurance Savings Participations	EUR 31,144,359.91

Wft

The Issuer is not subject to any licence requirement under Section 2:11 of the Wft as amended, due to the fact that the Notes will be offered solely to Professional Market Parties.

The Issuer is not subject to any licence requirement under Section 2:60 of the Wft, as the Issuer has outsourced the servicing and administration of the Mortgage Loans to the Servicer. The Servicer holds a license under the Wft and the Issuer will thus benefit from the exemption.

3.2 Shareholder

The Shareholder is a foundation (*stichting*) incorporated under Dutch law on 3 August 2010. It has its official seat (*statutaire zetel*) in Amsterdam, the Netherlands and its registered office at Herengracht 537, 1017 BV Amsterdam, the Netherlands. The Shareholder is registered with the Trade Register under number 50525778.

The objectives of the Shareholder are to, *inter alia*, acquire and hold shares in the share capital of the Issuer and to exercise all rights attached to such shares and to dispose of and encumber such shares.

Pursuant to the articles of association of the Shareholder an amendment of the articles of association of the Shareholder requires the prior written consent of, *inter alia*, Stichting Security Trustee Phedina Hypotheken 2013-I. Moreover, the Director of the Shareholder shall only be authorised to dissolve the Shareholder, (i) after receiving the prior written consent of, *inter alia*, Stichting Security Trustee Phedina Hypotheken 2013-I and (ii) after the Issuer has been fully discharged for all its obligations by virtue of the Transaction Documents.

The sole managing director of the Shareholder is BNP Paribas Trust B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), incorporated under Dutch law and having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands. The managing directors of BNP Paribas Trust B.V. are A.C.H.J. Boulanger, N.M.A.E. Didier and H.E. Sijsling.

3.3 Security Trustee

Stichting Security Trustee Phedina Hypotheken 2013-I is a foundation (*stichting)* incorporated under Dutch law on 25 February 2013. It has its official seat (*statutaire zetel*) in Amsterdam, the Netherlands and its registered office at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands. The Security Trustee is registered with the Trade Register under number 57321426.

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

The sole managing director of the Security Trustee is Intertrust (Netherlands) B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), incorporated under Dutch law and having its official seat (*statutaire zetel*) in Amsterdam, the Netherlands. The managing directors of Intertrust (Netherlands) B.V. are O.J.A. van der Nap, P. de Langen, D.J.C. Niezing and Nicole Wolthuis-Geeraedts.

3.4 Seller/Originator[1]

BNP Paribas

BNP Paribas S.A. is the holding company for one of the largest global banking groups in the world, headquartered in Paris with its second global headquarters in London. It was created through the merger of Banque Nationale de Paris (BNP) and Paribas in 2000. In 2011 it was ranked as the 11th largest company in the world by Forbes and the largest in France. In April 2009, BNP Paribas purchased a 75 per cent. stake in Fortis Bank N.V./S.A., making the group of BNP Paribas the Euro zone's largest bank by deposits held.

Present across Europe through all its business lines, the group of BNP Paribas has four domestic retail banking markets in France, Italy, Belgium and Luxembourg. It has one of the largest international networks with operations in 78 countries and 195,200 employees, including 152,400 in Europe, 15,000 in North America and 13,500 in Asia (31 March 2012). BNP Paribas has built up 3 major complementary areas of activity, on which the strategic focus of the group's activities is centred and where its strength lies:

- *Retail Banking*

Retail banking is BNP Paribas' largest business unit representing more than half of its revenues and employing 58 per cent. of the group's headcount. Its operations are concentrated in Europe, especially in the group's three domestic markets of France, Italy (where it operates as Banca Nazionale del Lavoro (BNL)), and Belgium (as BNP Paribas Fortis). BNP Paribas Personal Finance is part of BNP Paribas' Retail Banking.

- *Corporate and Investment Banking*

In addition to its retail activities, BNP Paribas is also a leading global investment bank through its Corporate & Investment Banking unit. In 2010 CIB ranked as the 12th largest investment bank in the world according to Bloomberg's annual ranking.

[1] Source: BNP Paribas Personal Finance B.V.

- *Investment Solutions*

BNP Paribas' Investment Solutions unit contains its asset management, custodial banking, real estate, insurance, online brokerage, and wealth management activities.

BNP Paribas Personal Finance

BNP Paribas Personal Finance markets a comprehensive range of solutions available at the point of sale (stores, car dealerships), directly via its customer relations centres and over the Internet. Since 2011, the Company has also offered savings and insurance services for clients in France.

Furthermore, BNP Paribas Personal Finance has made partnerships an area of specialisation in its own right underpinned by its expertise in providing all types of financing and services geared to the activities and commercial strategy of its partners. As a result, BNP Paribas Personal Finance has become a key partner for retail chains, service providers, banks and insurance companies.

Core commitment to responsible lending

Primarily via its commercial brands Cetelem and Findomestic in Italy, BNP Paribas Personal Finance has made responsible lending the basis of its commercial strategy as a means of ensuring lasting growth. At each stage of the customer relationship, as well as during the process of granting a loan, responsible lending criteria are applied. These criteria are based on customer needs–which are central to this approach– and customer satisfaction, which is assessed regularly.

This approach–shared by all of PF–is implemented depending on the specific characteristics of each country. In addition, structural measures such as the design and distribution of accessible and responsible products and services, as well as the "Recoverability Charter", are rolled out and implemented in all countries. France has the most comprehensive Personal Finance offering, including access to independent business mediation and, since 2004, monitoring of three responsible lending criteria that have been made public: refusal rate, repayment rate and risk rate.

BNP Paribas Personal Finance has supported the development of personal microfinance guaranteed by the Fonds de Cohésion Sociale. Since 2007, it has granted 253 micro-loans totalling EUR 507,127.

A responsible company partnering its clients

2011 saw a number of major structural changes, in particular the introduction of major reforms to consumer finance in many countries in which Personal Finance operates.

Faced with these new constraints, Personal Finance nevertheless continued successfully to overhaul its business model and exceeded its targets, thanks primarily to the balancing out of activities between regions, control of risk and expenses, and the high level of involvement of its staff.

BNP Paribas Personal Finance maintained its level of capex. The aim is to continue to prepare for the future while also looking after the future of its clients, by listening and establishing close relations, adapting its products and services, developing a multi-channel approach and shortening response times. The challenge for Personal Finance is to adapt to new lifestyles and structural changes in society.

2011 saw the signature of a major partnership agreement in Russia between Cetelem and Sberbank. Russia's largest bank and the no. 1 in personal loans in Europe joined forces with the aim of creating the market leader in point-of-sale consumer finance in Russia. Operations began in summer 2012. Cetelem's responsible lending policy was a considerable advantage in negotiations with Sberbank. Sberbank is Russia's largest bank, representing 27% of bank assets. It has 240,000 employees and 19,000 branches.

BNP Paribas Personal Finance (previously UCB Hypotheken B.V) started production in the Netherlands in 2003. The principal activity was providing residential mortgages in the Netherlands through independent mortgage advisors.

The company stopped accepting new mortgage clients on the 1st of January, 2012. This decision was prompted by the upcoming banking regulations, including Basel 3, which make these activities unsustainable in the longer term for the company. This decision only affects mortgage lending to new clients. The quality of service offered to BNP Paribas Personal Finance's current clients in the Netherlands on their existing loans remains unchanged.

BNP Paribas Personal Finance is composed (September 2012) of a core team of 25 FTE (down from 49 FTE at its height in September 2011):

- Operations (6 FTE)
- Finance & Risk (10 FTE)
- Sales and marketing (2 FTE)
- Compliance (2 FTE)
- Other support functions (5 FTE)

This team of professionals with solid mortgage backgrounds is supported by over 450 outsourced FTEs.

At its peak, in 2010, the company had a market share of new production of 6 per cent (4bn disbursements). In December 2011, the company achieved its highest level of outstanding mortgage loans at EUR 10.9 billion which represented approximately 2% of the entire Dutch mortgage loan estate.

3.5 Servicer

Under the Servicing Agreement, the Servicer will agree 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 Loans and the implementation of arrears procedures including, if applicable, the enforcement of Mortgages. The Services has appointed Stater Nederland B.V. and Novalink B.V. as its sub-servicers under the terms of the Servicing Agreement.

For a description of the Servicer see section 3.4 (*Seller/Originator*).

Stater Nederland B.V. is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid)* incorporated under Dutch law. It has its official seat (*statutaire zetel*) in Amersfoort, the Netherlands and is registered with the Trade Register under number 08716725.

Novalink B.V. is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid)* incorporated under Dutch law. It has its official seat (*statutaire zetel*) in Amersfoort, the Netherlands and is registered with the Trade Register under number 32138332.

3.6 Administrator

Intertrust (Netherlands) B.V. will be appointed as Issuer Administrator in accordance with and under the terms of the Issuer Administrator Agreement (see further sections 7.4 (*Servicing Agreement)* and 5.7 *(Administration Agreement*). Intertrust (Netherlands) B.V. is a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), incorporated under Dutch law on 7 November 1975. It has its official seat (*statutaire zetel*) in Amsterdam, the Netherlands and its registered office at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands. The Issuer Administrator is registered with the Trade Register under number 33144202.

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

The managing directors of the Issuer Administrator are O.J.A. van der Nap, P. de Langen, D.J.C. Niezing and N. Wolthuis-Geeraedts. The sole shareholder of the Issuer Administrator is Intertrust International Holding B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), incorporated under Dutch law, registered with the Trade Register under number 32158895 and having its official seat (*statutaire zetel*) in, Amsterdam, the Netherlands. The managing director of Intertrust International Holding B.V. is D.P.W. de Buck.

4 NOTES

4.1 Terms and Conditions

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

The issue of the EUR 175,000,000 senior class A1 mortgage-backed notes 2013 due 2045 (the **Class A1 Notes**), the EUR 765,000,000 senior class A2 mortgage-backed notes 2013 due 2045 (the **Class A2 Notes** and together with the Class A1 Notes, the **Class A Notes**),the EUR 25,000,000 mezzanine class B mortgage-backed notes 2013 due 2045 (the **Class B Notes**), the EUR 20,000,000 mezzanine class C mortgage-backed notes 2013 due 2045 (the **Class C Notes**), the EUR 15,000,000 junior class D mortgage-backed notes 2013 due 2045 (the **Class D Notes**) and the EUR 10,000,000 subordinated class E notes 2013 due 2045 (the **Class E Notes**) and together with the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, the **Notes**) was authorised by a resolution of the board of managing directors of Phedina Hypotheken 2013-I B.V. (the **Issuer**) passed on 20 June 2013. The Notes have been issued on 27 June 2013 under a trust deed (the **Trust Deed**) dated 25 June 2013 (the **Signing Date**) between the Issuer, Stichting Phedina Hypotheken Holding (the **Shareholder**) and Stichting Security Trustee Phedina Hypotheken 2013-I (the **Security Trustee**).

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

The statements in these terms and conditions of the Notes (the **Conditions**) include summaries of, and are subject to, the detailed provisions of (i) the Paying Agency Agreement, (ii) the Trust Deed, which will include the form of the Notes and the interest coupons appertaining to the Notes (the **Coupons**), the forms of the Temporary Global Notes and the Permanent Global Notes, (iii) a mortgage receivables purchase agreement (the **Mortgage Receivables Purchase Agreement**) dated the Signing Date between BNP Paribas Personal Finance as seller (the **Seller**), the Issuer and the Security Trustee, (iv) a servicing agreement (the **Servicing Agreement**) dated the Signing Date between the Issuer, BNP Paribas Personal Finance as servicer (the **Servicer**) and the Security Trustee, (v) an administration agreement (the **Administration Agreement**) dated the Signing Date between the Issuer, Intertrust (Netherlands) B.V., as administrator (the **Issuer Administrator**) and the Security Trustee, (vi) an issuer mortgage receivables pledge agreement (the **Issuer Mortgage Receivables Pledge Agreement**) dated the Signing Date between the Issuer and the Security Trustee, (vii) an issuer rights pledge agreement (the **Issuer Rights Pledge Agreement**) dated the Signing Date between, *inter alios*, the Issuer and the Security Trustee and (viii) an issuer accounts pledge agreement (the **Issuer Accounts Pledge Agreement**) dated the Signing Date between, *inter alios*, the Issuer and the Security Trustee (jointly with the two pledge agreements referred to under (vi) and (vii) above, the **Pledge Agreements** and together with certain other agreements, including all aforementioned agreements and the Notes, the **Transaction Documents**). A reference to a Transaction Document shall be construed as a reference to such Transaction Document as the same may have been, or may from time to time be, replaced, amended or supplemented and a reference to any party to a Transaction Document shall include references to its successors, assigns and any person deriving title under or through it.

Certain words and expressions used below are defined in a master definitions agreement (the **Master Definitions Agreement**) dated the Signing Date and signed by the Issuer, the Security Trustee, the Seller and certain other parties. Such words and expressions shall, except where the context requires otherwise, have the same meanings in these Conditions. As used herein, Class means the Class A1 Notes, the Class A2 Notes, the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes, as the case may be.

Copies of the Mortgage Receivables Purchase Agreement, the Trust Deed, the Secured Creditors Agreement, the Paying Agency Agreement, the Servicing Agreement, the Pledge Agreements, the Master Definitions Agreement and certain other agreements are available for inspection free of charge by holders of the Notes at the specified office of the Paying Agents and the current office of the Security Trustee, being at the date hereof Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Paying Agency Agreement, the Pledge Agreements and the Master Definitions Agreement.

1. Form, Denomination and Title

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

2. Status, Relationship between the Notes and Security

(a) Status

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

In accordance with the provisions of Conditions 4 (*Interest*), 6 (*Redemption*) and 9 (*Principal Deficiency, Principal Shortfall and Interest Shortfall*) and the Trust Deed prior to the delivery of an Enforcement Notice, (i) payments of principal on the Class A2 Notes will be subordinated to, *inter alia*, payments of principal on the Class A1 Notes, (ii) payments of principal and interest on the Class B Notes will be subordinated to, *inter alia*, payments of principal and interest on the Class A Notes, (iii) payments of principal and interest on the Class C Notes will be subordinated to, *inter alia*, payments of principal and interest on the Class A Notes and the Class B Notes, (iv) payments of principal and interest on the Class D Notes will be subordinated to, *inter alia*, payments of principal and interest on the Class A Notes, the Class B Notes and the Class C Notes and (v) payments of principal and interest on the Class E Notes will be subordinated to, *inter alia,* payments of interest on the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes.

Prior to the delivery of an Enforcement Notice, payment of principal on the Class E Notes will be made subject to and in accordance with the Conditions, on each Notes Payment Date to the extent Available Revenue Funds are available in accordance with the Revenue Priority of Payments.

(b) Security

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

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

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

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

The Trust Deed contains provisions requiring the Security Trustee to have regard to the interests of each of the holders of the Class A Notes (the **Class A Noteholders**), the holders of the Class B Notes (the **Class B Noteholders**), the holders of the Class C Notes (the **Class C Noteholders**), the holders of the Class D Notes (the **Class D Noteholders**) and the holders of the Class E Notes (the **Class E Noteholders**), each as a Class as regards all powers, trust, authorities, duties and discretions of the Security Trustee (except where expressly provided otherwise) and the Security Trustee need not to have regard to the consequences of such exercise for individual Noteholders but is required in any such case to have regard only to the interests of the Class A Noteholders if, in the Security Trustee's opinion, there is a conflict between the interests of the Class A Noteholders on the one hand and the Class B Noteholders, the Class C Noteholders, the Class D Noteholders or the Class E Noteholders on the other hand and, if no Class A Notes are outstanding, to have regard only to the interests of the Class B Noteholders if, in the Security Trustee's opinion, there is a conflict between the interests of the Class B Noteholders on the one hand and the Class C Noteholders, the Class D Noteholders or the Class E Noteholders on the other hand and, if no Class B Notes are outstanding, to have regard only to the interests of the Class C Noteholders if, in the Security Trustee's opinion, there is a conflict between the interests of the Class C Noteholders on the one hand and the Class D Noteholders or the Class E Noteholders on the other hand and, if no Class C Notes are outstanding, to have regard only to the interests of the Class D Noteholders if, in the Security Trustee's opinion, there is a conflict between the interests of the Class D Noteholders on the one hand and the Class E Noteholders on the other hand. In addition, the Security Trustee shall have regard to the interests of the other Secured Creditors, provided that, in the case of a conflict of interest between the Secured Creditors, the Post-Enforcement Priority of Payments set forth in the Trust Deed determines which interest of which Secured Creditor prevails.

3. Covenants of the Issuer

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

(a) carry out any business other than as described in the Prospectus issued in relation to the Notes dated 25 June 2013 and as contemplated in the Transaction Documents;

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

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

(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 Trust Deed or the Pledge Agreements, and the priority of the security created thereby or pursuant thereto to be amended, terminated, postponed or discharged, or permit any person whose obligations form part of such security rights to be released from such obligations except as contemplated in the Transaction Documents;

(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 Transaction Accounts and an account into which collateral under the Swap Agreement is transferred, unless all rights in relation to such account (other than the account into which collateral under the Swap Agreement is transferred) will have been pledged to the Security Trustee as provided in Condition 2(b)(iii) (*Security*);

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

(i) pay any dividend or make any other distribution to its shareholder(s) or issue any further shares; or

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

4. Interest

(a) Period of Accrual

The Notes shall bear interest on their Principal Amount Outstanding (as defined in Condition 6) (*Redemption*)) from and including the date the Notes are issued (the **Closing Date**). Each Note (or, in the case of the redemption of only part of a Note, that part only of such Note) shall cease to bear interest from its due date for redemption unless, upon due presentation, payment of the relevant amount of principal or any part thereof is improperly withheld or refused. In such event, interest will continue to accrue thereon (before and after any judgement) at the rate applicable to such Note up to but excluding the date on which, on presentation of such Note, payment in full of the relevant amount of principal is made or (if earlier) the seventh (7^{th}) calendar day after notice is duly given by the Paying Agents to the holder thereof (in accordance with Condition 13 (*Notices*)) that upon presentation thereof, such payments will be made, provided that upon such presentation payment is in fact made. Whenever it is necessary to compute an amount of interest in respect of any Note for any period, such interest shall be calculated on the basis of the actual number of calendar days elapsed in the Interest Period ending on the relevant Notes Payment Date divided by 360 (or if any portion of that Interest Period falls in a leap year, the sum of (i) the actual number of calendar days in that portion of the Interest Period failing in a leap year divided by 366 and (ii) the actual number of calendar days in that portion of the Interest Period falling in a non-leap year divided by 360).

(b) Interest Periods and Payment Dates

Interest on the Notes shall be payable by reference to successive interest periods (each an Interest Period) and will be payable in arrear in euro in respect of the Principal Amount Outstanding (as defined in Condition 6 (*Redemption*)) of the Notes, respectively, on the 25th day of February, May, August and November in each year, or if such day is not a Business

Day (as defined below), the next succeeding Business Day, unless such Business Day falls in the next succeeding calendar month in which event the Business Day immediately preceding such 25th day is the relevant Business Day (each such day being a **Notes Payment Date**), subject to Condition 9(a) (*Interest*). A Business Day means a day on which banks are open for business in Amsterdam, the Netherlands, Paris, France, Dublin, Ireland, Luxembourg, Luxembourg and Brussels, Belgium, provided that such day is also a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer 2 System (the **TARGET 2 System**) or any successor thereto is open for the settlement of payments in euro. Each successive Interest Period will commence on (and include) a Notes Payment Date and end on (but exclude) the next succeeding Notes Payment Date, except for the first (1st) Interest Period which will commence on (and include) the Closing Date and end on (but exclude) the Notes Payment Date falling in November 2013.

(c) *Interest on the Notes*

Except for the first Interest Period whereby interest will accrue from (and including) the Closing Date until but excluding the first (1st) Notes Payment Date at an annual rate equal to the linear interpolation between the Euro Interbank Offered Rate (**Euribor**) for four-months deposits in euro and the Euribor for five-months deposits in euro (determined in accordance with Condition 4 (*Interest*)) plus the margin as set out below, interest on the Notes for each Interest Period up to (but excluding) the First Optional Redemption Date will accrue at an annual rate equal to Euribor for three-months deposits in euro, plus:

(i) for the Class A1 Notes, a margin of 0.30 per cent. per annum;

(i) for the Class A2 Notes, a margin of 0.85 per cent. per annum;

(ii) for the Class B Notes, a margin of 1.80 per cent. per annum;

(iii) for the Class C Notes, a margin of 3.00 per cent. per annum;

(iv) for the Class D Notes, a margin of 4.00 per cent. per annum; and

(v) for the Class E Notes a margin of 5.00 per cent. per annum.

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

If on the First Optional Redemption Date (as defined in Condition 6 (*Redemption*)) the Class A Notes have not been redeemed in full, the margin on the Class A Notes will increase. The rate of interest applicable to the Notes will then be equal to the sum of Euribor for three-months deposits in euro, payable by reference to Interest Periods on each Notes Payment Date, plus:

(i) for the Class A1 Notes, a margin of 0.60 per cent. per annum;

(ii) for the Class A2 Notes, a margin of 1.70 per cent. per annum.

(iii) for the Class B Notes, a margin of 1.80 per cent. per annum;

(iv) for the Class C Notes, a margin of 3.00 per cent. per annum;

(v) for the Class D Notes, a margin of 4.00 per cent. per annum; and

(vi) for the Class E Notes, a margin of 5.00 per cent. per annum.

(e) Euribor

For the purposes of Conditions 4(b), 4(c) and (d) (*Interest*) Euribor will be determined as follows:

(i) the Reference Agent will obtain for each Interest Period the rate equal to Euribor for three-months deposits in euro. The Reference Agent shall use the Euribor rate as determined and published jointly by the European Banking Federation and ACI - The Financial Market Association and which appears for information purposes on the Reuters Screen EURIBOR01 (or, if not available, any other display page on any screen service maintained by any registered information vendor for the display of the Euribor rate selected by the Reference Agent) at or about 11:00 a.m. (Central European Time) on the day that is two (2) Business Days preceding the first (1^{st}) day of each Interest Period (each an **Interest Determination Date**).

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

(a) request the principal euro-zone office of each of four (4) major banks in the euro-zone interbank market to provide a quotation for the rate at which three-months euro deposits are offered by it in the euro-zone interbank market at approximately 11.00 a.m. (Central European Time) on the relevant Interest Determination Date to prime banks in the euro-zone interbank market in an amount that is representative for a single transaction at that time; and

(b) determine the arithmetic mean (rounded, if necessary, to the fifth (5^{th}) decimal place with 0.000005 being rounded upwards) of such quotations as are provided; and

(iii) if fewer than two (2) such quotations are provided as requested, the Reference Agent will determine the arithmetic mean (rounded, if necessary to the fifth (5^{th}) decimal place with 0.000005 being rounded upwards) of the rates quoted by major banks, of which there shall be at least two (2) in number, in the euro-zone, selected by the Reference Agent, at approximately 11.00 a.m. (Central European Time) on the relevant Interest Determination Date for three-months deposits to leading euro-zone banks in an amount that is representative for a single transaction in that market at that time,

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

(f) Determination of Floating Rate of Interest and Calculation of the Floating Interest Amount

The Reference Agent will, as soon as practicable after 11.00 a.m. (Central European Time) on each relevant Interest Determination Date, determine the floating rates of interest referred to in paragraphs (c) and (d) above for each relevant Class of Notes (the **Floating Rate of Interest**) and calculate the amount of interest payable, subject to Condition 4 (*Interest*), on each such Class of Notes for the following Interest Period (the **Floating Interest Amount**) by applying the relevant Floating Rate of Interest to the Principal Amount Outstanding of the relevant Class of Notes. The determination of the relevant Floating Rate of Interest and the Floating Interest Amount by the Reference Agent shall (in the absence of manifest error) be final and binding on all parties.

(g) Notification of the Floating Rate of Interest and the Floating Interest Amount

The Reference Agent will cause the relevant Floating Rate of Interest and the relevant Floating Interest Amount and the Notes Payment Date applicable to each relevant Class of Notes to be notified to the Issuer, the Security Trustee, the Paying Agents, the Issuer Administrator and to the holders of such Class of Notes. As long as the Notes are admitted to listing, trading and/or quotation on NYSE Euronext in Amsterdam, the Netherlands (**Euronext Amsterdam**) or by any other competent authority, stock exchange and/or quotation system, notice shall also be published in such other place as may be required by the rules and regulations of such competent authority, stock exchange and/or quotation system, as soon as possible after the determination. The Floating Interest Amount and Notes Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period.

(h) Determination or Calculation by Security Trustee

If the Reference Agent at any time for any reason does not determine the relevant Floating Rate of Interest or fails to calculate the relevant Floating Interest Amount in accordance with paragraph (f) above, the Security Trustee shall determine the relevant Floating Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the procedure described in paragraph (f) above), it shall deem fair and reasonable under the circumstances or, as the case may be, the Security Trustee shall calculate the Floating Interest Amount in accordance with paragraph (f) above, and each such determination or calculation shall be final and binding on all parties.

(i) Reference Agent

The Issuer will procure that, as long as any of the Notes remains outstanding, there will at all times be a Reference Agent. The Issuer has, subject to obtaining the prior written consent of the Security Trustee, the right to terminate the appointment of the Reference Agent by giving at least sixty (60) calendar 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 (*Notices*). If any person shall be unable or unwilling to continue to act as the Reference Agent or if the appointment of the Reference Agent shall be terminated, the Issuer will, with the prior written consent of the Security Trustee, appoint a successor reference agent to act in its place, provided that neither the resignation nor removal of the Reference Agent shall take effect until a successor approved in writing by the Security Trustee has been appointed.

5. Payment

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

(b) On the Final Maturity Date (as defined in Condition 6(b) (*Final redemption*)), or such earlier date on which the Notes become due and payable, the Definitive Notes should be presented for payment together with all unmatured Coupons appertaining thereto, failing which the full amount of any such missing unmatured Coupons (or, in the case of payment not being made in full, that proportion of the full amount of such missing unmatured Coupons which the sum of principal so paid bears to the total amount of principal due) will be deducted from the sum due for payment. Each amount so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon at any time before the expiry of 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 (*Prescription*)).

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

(d) The Issuer reserves the right at any time to vary or terminate the appointment of the Paying Agents and to appoint additional or other paying agents provided that no paying agent located in the United States of America will be appointed and that the Issuer will at all times maintain a paying agent having a specified office in the European Union which, for as long as the Notes are listed on Euronext Amsterdam, shall be located in the Netherlands, and provided further that the Issuer will maintain a paying agent in an EU Member State that will not be obliged to withhold or deduct any tax pursuant to the EU Council Directive 2003/48/EC. Notice of any termination or appointment of a Principal Paying Agent or a Paying Agent and of any changes in the specified offices of the Paying Agents will be given to the Noteholders in accordance with Condition 13 (*Notices*).

6. Redemption

(a) Definitions

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

The **Principal Amount Outstanding** on any Notes Calculation Date of any Note shall be the principal amount of that Note upon issue less the aggregate amount of all Redemption Amounts (as defined in Conditions 6(c) and 6(d) below) in respect of that Note that have become due and payable prior to such Notes Calculation Date.

Available Principal Funds shall mean, on any Notes Calculation Date, the sum of the following amounts, calculated as at such Notes Calculation Date, as being received or held by the Issuer during the Notes Calculation Period immediately preceding such Notes Calculation Date:

(i) repayment and prepayment in full of principal under the Mortgage Receivables, from any person, whether by set-off or otherwise, less, with respect to each Savings Mortgage Receivable and each Hybrid Mortgage Receivable, the Insurance Savings Participation in such Savings Mortgage Receivable or Hybrid Mortgage Receivable;

(ii) Net Foreclosure Proceeds in respect of any Mortgage Receivables, to the extent such proceeds relate to principal, less, with respect to each Savings Mortgage Receivable and each Hybrid Mortgage Receivable, the Insurance Savings Participation in such Savings Mortgage Receivable or Hybrid Mortgage Receivable;

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

(iv) amounts received in connection with a sale of Mortgage Receivables pursuant to the Trust Deed to the extent such amounts relate to principal, less, with respect to each Savings Mortgage Receivable and each Hybrid Mortgage Receivable, the Insurance Savings Participation in such Savings Mortgage Receivable or Hybrid Mortgage Receivable, if and to the extent such Insurance Savings Participation is terminated;

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

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

(vii) partial prepayment in respect of Mortgage Receivables, excluding Prepayment Penalties, if any, less with respect to each Savings Mortgage Receivable and each Hybrid Mortgage Receivable, in case the partial prepayment made in respect thereof exceeds the difference between (a) the Outstanding Principal Amount under such Savings Mortgage Receivable or such Hybrid Mortgage Receivable and (b) the Insurance Savings Participation therein, an amount equal to such excess up to the Insurance Savings Participation therein;

(viii) amounts received under or in connection with the Guarantee after a request for payment made by the Issuer, to the extent relating to principal; and

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

Net Foreclosure Proceeds means (i) the proceeds of a foreclosure on the relevant Mortgage, (ii) the proceeds of foreclosure on any other collateral securing the Mortgage Receivable, (iii) the proceeds, if any, of collection of any Insurance Policies or other insurance policies in connection with the relevant Mortgage Receivable, including but not limited to fire insurance, (iv) the proceeds of any guarantees or sureties, including any NHG Guarantee, and (v) the proceeds of foreclosure on any other assets of the relevant Borrower, after deduction of foreclosure costs in respect of such Mortgage Receivable. The term "foreclosure" shall include any lawful manner of generating proceeds from collateral, whether by public auction, by private sale or otherwise.

Notes Calculation Date means, in relation to a Notes Payment Date, the third (3^{rd}) Business Day prior to such Notes Payment Date.

Notes Calculation Period means, in relation to a Notes Calculation Date, the three (3) successive Mortgage Calculation Periods immediately preceding such Notes Calculation Date, except for the first Notes Calculation Period which will commence on the Cut-Off Date and ends on and includes the last day of October 2013.

Mortgage Calculation Period means the period commencing on (and including) the first day of each calendar month and ending on (and including) the last day of such calendar month, except for the first mortgage calculation period which commences on (and includes) the Cut-Off Date and ends on (and includes) the last day of June 2013.

Realised Loss means, on any Notes Calculation Date, the sum of (a) the aggregate Outstanding Principal Amount of all Mortgage Receivables, excluding the Insurance Savings Participations therein, on which the Seller, the Issuer or the Security Trustee (or the Servicer on their behalf) has foreclosed and has received the Net Foreclosure Proceeds in the Notes Calculation Period immediately preceding such Notes Calculation Date minus the Net Foreclosure Proceeds applied to reduce the Outstanding Principal Amount of such Mortgage Receivables, (b) with respect to Mortgage Receivables sold by the Issuer pursuant to the Mortgage Receivables Purchase Agreement or the Trust Deed in the Notes Calculation Period immediately preceding such Notes Calculation Date, the amount of the aggregate Outstanding Principal Amount of all such Mortgage Receivables, excluding the Insurance Savings Participations therein, minus the purchase price received, or to be received on the immediately succeeding Notes Payment Date, in respect of such Mortgage Receivables to the extent relating to principal and (c) with respect to Mortgage Receivables which have been extinguished (*teniet gegaan*), in part or in full, in the Notes Calculation Period immediately preceding such Notes Calculation Date as a result of a set-off right or defence to payments having been invoked by the relevant Borrower or the Seller, as the case may be, the positive difference, if any, between the amount by which the Mortgage Receivables have been extinguished (*teniet gegaan*) and the amount received from the Seller during the Mortgage Calculation Period immediately preceding such Notes Calculation Date pursuant to the Mortgage Receivables Purchase Agreement in connection with such set-off or defence.

(b) Final Redemption

Unless previously redeemed as provided below, the Issuer will, subject to Condition 9(b) (*Principal*), redeem any remaining Notes at their Principal Amount Outstanding, together with accrued interest, on the Notes Payment Date falling in November 2045 (the **Final Maturity Date**).

(c) Redemption of the Notes (other than the Class E Notes) prior to delivery of an Enforcement Notice

(i) Provided that no Enforcement Notice has been served in accordance with Condition 10 (*Events of Default*), the Issuer shall, subject to Condition 9(b) (*Principal*), on each Notes Payment Date apply the Available Principal Funds, subject to and in accordance with the Redemption Priority of Payments, towards redemption, at their respective

Principal Amount Outstanding, of (i) *firstly*, the Class A1 Notes, until fully redeemed, and subsequently, the Class A2 Notes, until fully redeemed, (ii) *secondly*, the Class B Notes, until fully redeemed, (iii) *thirdly*, the Class C Notes, until fully redeemed and (iv) *fourthly*, the Class D Notes, until fully redeemed.

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

(d) Redemption of Class E Notes

Provided that no Enforcement Notice has been served in accordance with Condition 10 (*Events of Default*), the Issuer will be obliged to apply the Available Revenue Funds, if and to the extent that all payments ranking above item (p) in the Revenue Priority of Payments have been made in full, to redeem (or partially redeem) on a *pro rata* basis the Class E Notes on each Notes Payment Date until fully redeemed. Any amount so redeemed will be deemed to be a Redemption Amount for the purpose of calculating the Principal Amount Outstanding of each of the Class E Notes in accordance with Condition 6 (*Redemption*). Unless previously redeemed in full, the Issuer will, subject to Condition 9(b) (*Principal*), redeem the Class E Notes at their Principal Amount Outstanding, together with accrued interest, on the Notes Payment Date falling in November 2045.

(e) Determination of Redemption Amount and Principal Amount Outstanding:

(i) On each Notes Calculation Date, the Issuer shall determine (or cause the Issuer Administrator to determine) (a) the Redemption Amount and (b) the Principal Amount Outstanding of the relevant Note on the first (1^{st}) 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, Clearstream, Luxembourg, Euronext Amsterdam and to the Noteholders. As long as the Notes are admitted to listing, trading and/or quotation on Euronext Amsterdam or by any other competent authority, stock exchange and/or quotation system, notice shall also be published in such other place as may be required by the rules and regulations of such competent authority, stock exchange and/or quotation system, as soon as possible after the determination. If no 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 (*Notices*).

(iii) If the Issuer does not at any time for any reason determine (or cause the Issuer 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 (d) and paragraph (c) above (but based upon the information in its possession as to the Available Principal Funds) and each such determination or calculation shall be deemed to have been made by the Issuer.

(f) Optional redemption

The Issuer may, at its option, on giving not more than sixty (60) nor less than thirty (30) calendar days written notice to the Security Trustee and the Noteholders in accordance with Condition 13 (*Notices*), on the Notes Payment Date falling in August 2018 (the **First Optional Redemption Date**) and on each Notes Payment Date thereafter (each an **Optional Redemption Date**) redeem, subject to Condition 9(b) (*Principal*), all (but not only part of) the Notes (other than the Class E Notes), subject to and in accordance with the Redemption Priority of Payments, at their Principal Amount Outstanding plus accrued but unpaid interest thereon, after payment of the amounts to be paid in priority to redemption of the Notes.

(g) Redemption following clean-up call

The Seller has the option to repurchase and accept re-assignment of all (but not only part of) the Mortgage Receivables on any Notes Payment Date on which the aggregate Principal Amount Outstanding of the Notes (in case of a Principal Shortfall in respect of any Class of Notes, less such aggregate Principal Shortfall) is not more than ten (10) per cent. of the aggregate Principal Amount Outstanding of the Notes on the Closing Date (the **Clean-up Call Option**). On the Notes Payment Date following the exercise by the Seller of its Clean-up Call Option the Issuer shall redeem, subject to Condition 9(b) (*Principal*), all (but not only part of) the Notes, subject to and in accordance with the Redemption Priority of Payments, at their Principal Amount Outstanding plus accrued but unpaid interest thereon, after payment of the amounts to be paid in priority to redemption of the Notes.

(h) Redemption for tax reasons

The Issuer may (but is not obliged to) redeem, subject to Condition 9(b) (*Principal*) on any Notes Payment Date, all (but not only part of) of the Notes (other than the Class E Notes) at their Principal Amount Outstanding plus accrued but unpaid interest thereon up to and including the date of redemption, subject to and in accordance with the Redemption Priority of Payments, if (a) the Issuer or any of the Paying Agents has become or would become obligated to make any withholding or deduction from payments in respect of any of the Notes (although the Issuer will not have any obligation to pay additional amounts in respect of any such withholding or deduction) and/or (b) the Issuer has become or would become subject to any limitation of the deductibility of interest on any of the Notes as a result of (i) a change in any laws, rules or regulations or in the interpretation or administration thereof, or (ii) any act taken by any taxing authority on or after the issue date of the Notes. No redemption pursuant to item (ii) may be made unless the Issuer receives an opinion of independent counsel that there is a probability that the act taken by the taxing authority leads to one of the events mentioned at (a) or (b).

(i) Redemption following the regulatory call

On the Notes Payment Date following the exercise by the Seller of its regulatory call option (the **Regulatory Call Option**), the Issuer shall redeem, subject to Condition 9(b) (*Principal*), all (but not only part of) the Notes (other than the Class E Notes), subject to and in accordance with the Redemption Priority of Payments, at their Principal Amount Outstanding, plus accrued but unpaid interest thereon, after payment of the amounts to be paid in priority to the Notes. A Regulatory Call Option exists following the occurrence of a change in the Basle Capital Accord promulgated by the Basle Committee on Banking Supervision (the **Basle Accord**) or in the international, European or Dutch regulations, rules and instructions (which includes the solvency regulation on securitisation of the Dutch Central Bank) (the **Bank Regulations**) applicable to the Seller or BNP Paribas S.A. (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 Seller or BNP Paribas S.A. has the effect of adversely affecting the rate of return on capital of the Seller or BNP Paribas S.A. or increasing the costs or reducing the benefit to the Seller or BNP Paribas S.A. with respect to the transaction contemplated by the Transaction Documents (a **Regulatory Change**).

7. Taxation

All payments of, or in respect of, principal and interest on the Notes will be made without withholding of, or deduction for, or on account of any present or future taxes, duties, assessments or charges of whatsoever nature imposed or levied by or on behalf of the Netherlands, any authority therein or thereof having power to tax unless the withholding or deduction of such taxes, duties, assessments or charges is required by law. In that event, the Issuer will make the required withholding or deduction of such taxes, duties, assessments or charges for the account of the Noteholders, as the case may be, and shall not be obliged to pay any additional amounts to such Noteholders.

8. Prescription

Claims against the Issuer for payment in respect of the Notes and Coupons shall become prescribed unless made within five (5) years from the date on which such payment first (1^{st}) becomes due.

9. Principal Deficiency, Principal Shortfall and Interest Shortfall

(a) Interest

In the event that on any Notes Payment Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest due on the Class A Notes on such Notes Payment Date and such interest is not paid within fifteen (15) calendar days from the relevant Notes Payment Date, this will constitute an Event of Default in accordance with Condition 10(a).

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 (*Interest*) and 5 (*Payment*), subject to the terms of this Condition and subject to the provisions of the Trust Deed.

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

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

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

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

(b) *Principal*

Until the date on which the Principal Amount Outstanding of all Class A Notes is reduced to zero, the holders of the Class B Notes will not be entitled to any repayment of principal in respect of the Class B Notes. As from that date, the Principal Amount Outstanding of the Class B Notes will be redeemed in accordance with the provisions of Condition 6 (*Redemption*), provided that 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 relevant Principal Shortfall on such date. The Class B Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Class B Notes after the earlier of (i) the Final Maturity Date and (ii) the date on which the Issuer no longer holds any Mortgage Receivables and there are no balances standing to the credit of the Issuer Transaction Accounts.

Until the date on which the Principal Amount Outstanding of all Class A Notes and all Class B Notes is reduced to zero, the holders of the Class C Notes will not be entitled to any repayment of principal in resepct of the Class C Notes. As from that date, the Principal Amount Outstanding of the Class C Notes will be redeemed in accordance with the provisions of Condition 6 (*Redemption*), provided that 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 relevant Principal Shortfall on such date. The Class C Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Class C Notes after the earlier of (i) the Final Maturity Date and (ii) the date on which the Issuer no longer holds any Mortgage Receivables and there are no balances standing to the credit of the Issuer Transaction Accounts.

Until the date on which the Principal Amount Outstanding of all Class A Notes, all Class B Notes and all Class C Notes is reduced to zero, the holders of the Class D Notes will not be entitled to any repayment of principal, in respect of the Class D Notes. As from that date, the Principal Amount Outstanding of the Class D Notes will be redeemed in accordance with the provisions of Condition 6 (*Redemption*), provided that 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 relevant Principal Shortfall on such date. The Class D Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Class D Notes after the earlier of (i) the Final Maturity Date and (ii) the date on which the Issuer no longer holds any Mortgage Receivables and there are no balances standing to the credit of the Issuer Transaction Accounts.

In these Conditions, the **Principal Shortfall** means, with respect to any Notes Payment Date, an amount equal to (i) the balance of the relevant sub-ledger of the Principal Deficiency Ledger for the relevant Class of Notes, divided by (ii) the number of Notes of the relevant Class on such Notes Payment Date.

As from the earlier of (i) the Notes Calculation Date upon which all amounts of interest and principal due in respect of the Notes (other than the Class E Notes), have been paid on the Notes Payment Date immediately preceding such Notes Calculation Date or will be available for payment on the Notes Payment Date immediately following such Notes Calculation Date, (ii) the Notes Calculation Date upon which the aggregate Outstanding Principal Amount of the Mortgage Receivables has been reduced to zero and (iii) the Notes Payment Date on which the Issuer no longer holds any Mortgage Receivables and there is no balance standing to the credit of the Issuer Collection Account, the Reserve Account Target Level will be reduced to zero and any amount standing to the credit of the Reserve Account will thereafter form part of the Available Revenue Funds and will thus be available among others to redeem or partially redeem the Class E Notes until fully redeemed and thereafter towards satisfaction of the Deferred Purchase Price. The Class E Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Class E Notes after the earlier of (i) the Final Maturity Date and (ii) the date on which the Issuer no longer holds any Mortgage Receivables and there are no balances standing to the credit of the Issuer Transaction Accounts.

(c) *General*

In the event that the Security in respect of the Notes and the Coupons appertaining thereto has been fully enforced and the proceeds of such enforcement, after payment of all other claims ranking under the Trust Deed in priority to the Class E Notes or, as the case may be, the Class D Notes, or, as the case may be, the Class C Notes or, as the case may be, the Class B Notes, are insufficient to pay in full all principal and interest and other amounts whatsoever due in respect of the Class E Notes or, as the case may be, the Class D Notes or, as the case may be, the Class C Notes or, as the case may be, the Class B Notes, then the Class E Noteholders or, as the case may be, the Class D Noteholders or, as the case may be, the Class C Noteholders or, as the case may be, the Class B Noteholders shall have no further claim against the Issuer or the Security Trustee in respect of any such unpaid amounts.

10. Events of Default

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

(a) the Issuer is in default for a period of fifteen (15) calendar days or more in the payment on the due date of any amount due in respect of the Notes of the Relevant Class; or

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

(d) if any order shall be made by any competent court or other authority or a resolution passed for the dissolution or winding-up of the Issuer or for the appointment of a liquidator or receiver of the Issuer in respect of all or substantially all of its assets; or

(e) the Issuer makes an assignment for the benefit of, or enters into any general assignment (*akkoord*) with, its creditors; or

(f) the Issuer files a petition for a suspension of payments (*surseance van betaling*) or for bankruptcy (*faillissement*) or is declared bankrupt or becomes subject to any other regulation having a similar effect,

provided, however, that, if Class A Notes are outstanding, no Enforcement Notice may or shall be given by the Security Trustee to the Issuer in respect of the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes, irrespective of whether an Extraordinary Resolution is passed by the Class B Noteholders, the Class C Noteholders, the Class D Noteholders or the Class E Noteholders, unless an Enforcement Notice in respect of the Class A Notes has been given by the Security Trustee. In exercising its discretion as to whether or not to give an Enforcement Notice to the Issuer in respect of the Class A Notes, the Security Trustee shall not be required to have regard to the interests of the Class B Noteholders, the Class C Noteholders, the Class D Noteholders or the Class E Noteholders.

11. Enforcement

(a) Enforcement

At any time after the Notes of any Class become due and payable, the Security Trustee may, at its discretion and without further notice, take such steps and/or institute such proceedings as it may think fit to enforce the security created by the Issuer in favour of the Security Trustee pursuant to the terms of the Trust Deed and the Pledge Agreements, including the making of a demand for payment thereunder, but it need not take any such proceedings unless (i) it shall have been directed by an Extraordinary Resolution of the Class A Noteholders or, if all amounts due in respect of the Class A Notes have been fully paid, the Class B Noteholders or, if all amounts due in respect of the Class A Notes and the Class B Notes have been fully paid, the Class C Noteholders or, if all amounts due in respect of the Class A Notes, the Class B Notes and the Class C Notes have been fully paid, the Class D Noteholders or, if all amounts due in respect of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes have been fully paid, the Class E Noteholders and (ii) it shall have been indemnified to its satisfaction. The Security Trustee will enforce the Security pursuant to the terms of the Trust Deed and the Pledge Agreements for the benefit of all Secured Creditors, including, but not limited to, the Noteholders, and will apply the net proceeds received or recovered towards satisfaction of the Parallel Debt. The Security Trustee shall distribute such net proceeds (after deduction of the amounts due and payable to the Insurance Savings Participants) to the Secured Creditors (other than the Insurance Savings Participants) in accordance with the Post-Enforcement Priority of Payments set forth in the Trust Deed.

(b) *No Action against Issuer by Noteholders*

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

(c) *Undertaking by Noteholders and Security Trustee*

The Noteholders and the Security Trustee may not institute against, or join any person in instituting against, the Issuer any bankruptcy, winding-up, reorganisation, arrangement, insolvency or liquidation proceeding until the expiry of a period of at least one (1) year after the last maturing Note is paid in full.

(d) *Limitation of Recourse*

The Noteholders accept and agree that the only remedy of the Security Trustee against the Issuer after any of the Notes have become due and payable pursuant to Condition 10 (*Events of Default*) above is to enforce the Security.

12. Indemnification of the Security Trustee

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

13. Notices

With the exception of the publications of the Reference Agent in Condition 4 (*Interest*) and of the Issuer in Condition 6 (*Redemption*), all notices to the Noteholders will only be valid if published in at least one daily newspaper of wide circulation in the Netherlands, or, if all such newspapers shall cease to be published or timely publication therein shall not be practicable, in such newspaper as the Security Trustee shall approve having a general circulation in Europe and as long as the Notes are admitted to listing, trading and/or quotation on Euronext Amsterdam or by any other competent authority, stock exchange and/or quotation system, notice shall also be published in such other place as may be required by the rules and regulations of such competent authority, stock exchange and/or quotation system. Any notice shall be deemed to have been given on the first date of such publication.

14. Meetings of Noteholders; Modification; Consents; Waiver; Removal Director

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

(a) *Meeting of Noteholders*

The Trust Deed contains provisions for convening meetings of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders to consider matters affecting the interests, including the sanctioning by Extraordinary Resolution, of such Noteholders of the relevant Class of a change of any of these Conditions or any provisions of the Transaction Documents, provided that no change of certain terms by the Noteholders of any Class including the date of maturity of the Notes of the relevant Class, or a change which would have the effect of postponing any day for payment of interest in respect of such Notes, reducing or cancelling the amount of principal payable in respect of such Notes or altering the majority required to pass an Extraordinary Resolution or any alteration of the date or priority of redemption of such Notes (any such change in respect of any such class of Notes referred to below as a **Basic Terms Change**) or a change in the definition of Basic Terms Change shall be effective except that (A), if the Security Trustee is of the opinion that such a Basic Terms Change or a change in the definition of Basic Terms Change is being proposed by the Issuer as a result of, or in order to avoid, an Event of Default, such Basic Terms Change or a change in the definition of Basic Terms Change may be sanctioned by an Extraordinary Resolution of the Noteholders of the relevant Class of Notes as described below or (B) if such Basic Terms Change is being proposed by a Noteholder holding at least 75 per cent. in the Principal Amount Outstanding of the relevant Class of Notes, such Basic Terms Change will be subject to the consent of the Seller.

A meeting as referred to above may be convened by the Issuer or by Noteholders of any Class holding not less than ten (10) per cent. in Principal Amount Outstanding of the Notes of such Class. The quorum for any meeting convened to consider an Extraordinary Resolution for any Class of Notes will be two-thirds of the Principal Amount Outstanding of the Notes of the relevant Class, as the case may be, and at such a meeting an Extraordinary Resolution shall be adopted with not less than a two-third majority of the validly cast votes, except that the quorum required for an Extraordinary Resolution including the sanctioning of a Basic Terms Change or a change in the definition of Basic Terms Change shall be at least 75 per cent. of the amount of the Principal Amount Outstanding of the Notes of the relevant Class and the majority required shall be at least 75 per cent. of the validly cast votes in respect of that Extraordinary Resolution. If at such meeting the aforesaid quorum is not represented, a second (2^{nd}) meeting of Noteholders will be held within one (1) month, with due observance of the same formalities for convening the meeting which governed the convening of the first (1^{st}) meeting; at such second (2^{nd}) meeting an Extraordinary Resolution can be adopted with not less than a two-thirds majority of the validly cast votes, except that for an Extraordinary Resolution including a sanctioning of a Basic Terms Change or a change in the definition of Basic Terms Change the majority required shall be 75 per cent. of the validly cast votes, regardless of the Principal Amount Outstanding of the Notes of the relevant Class then represented, except if the Extraordinary Resolution relates to the appointment, removal and replacement of any or all of the managing directors of the Security Trustee, in which case at least thirty (30) per cent. of the Notes of the relevant Class should be represented at such second (2^{nd}) meeting.

No Extraordinary Resolution to sanction a change which would have the effect of accelerating or extending the maturity of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes, as the case may be, or any date for payment of interest thereon, reducing or cancelling the amount of principal or altering the rate of interest payable in respect of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes, as the case may be, shall take effect unless (i) the Issuer has agreed thereto, (ii) the Seller has agreed thereto and (iii) it shall have been sanctioned with respect to the Class A Notes by an Extraordinary Resolution of the Class B Noteholders, the Class C Noteholders, the Class D Noteholders or the Class E Noteholders.

An Extraordinary Resolution passed at any meeting of the Class A Noteholders shall be binding on all other Classes of Noteholders, irrespective of its effect upon them, except in case of an Extraordinary Resolution to sanction a Basic Terms Change or a change in the definition of Basic Terms Change, which shall not take effect unless it shall have been sanctioned by an Extraordinary Resolution of the lower ranking Classes of Noteholders or the Security Trustee is of the opinion that it will not be materially prejudicial to the respective interests of the lower ranking Classes of Noteholders.

Without prejudice to the paragraph below, an Extraordinary Resolution (other than a sanctioning Extraordinary Resolution referred to in the previous paragraph) passed at any meeting of a Class of Noteholders (other than the Class A Noteholders) or, as the case may be, Classes of Noteholders (other than the Class A Noteholders) shall not be effective, unless it shall have been sanctioned by an Extraordinary Resolution of the Class A Noteholders or the Security Trustee is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders.

An Extraordinary Resolution passed at any meeting of a Class of Noteholders (other than the Class A Noteholders) or, as the case may be, Classes of Noteholders (other than the Class A Noteholders), which is effective in accordance with the paragraph above, shall be binding on all other Classes of Noteholders, irrespective of its effect upon them, except in case of an Extraordinary Resolution to sanction a Basic Terms Change or a change in the definition of Basic Terms Change, which shall not take effect unless it shall have been sanctioned by an Extraordinary Resolution of the other Classes of Noteholders or the Security Trustee is of the opinion that it will not be materially prejudicial to the respective interests of the other Classes of Noteholders and provided that the Seller has given its consent thereto.

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

(b) *Voting*

Each Note carries one vote. The Issuer and its affiliates may not vote on any Notes held by them directly or indirectly. Such Notes will not be taken into account in calculating the aggregate outstanding amount of the Notes.

(c) *Modification, authorisation and waiver without consent of Noteholders*

The Security Trustee may agree, without the consent of the Noteholders, to (i) any modification of any of the provisions of the Transaction Documents which is of a formal, minor or technical nature or is made to correct a manifest error and is notified to the Credit Rating Agencies, and (ii) any other modification (except if prohibited in the Transaction Documents), and any waiver or authorisation of any breach or proposed breach of any of the provisions of the Transaction Documents, which is in the opinion of the Security Trustee not materially prejudicial to the interests of the Noteholders subject to (a) each Credit Rating Agency having provided a Credit Rating Agency Confirmation in respect of the relevant event or matter or (b) the relevant event or matter has been sanctioned by an Extraordinary Resolution passed at any meeting of the relevant Class of Noteholders or, as the case may be, Classes of Noteholders, provided that such Extraordinary Resolution shall have been sanctioned by an Extraordinary Resoluition of the Class A Noteholders or the Security Trustee is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders. 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 (*Notices*) as soon as practicable thereafter.

The Noteholders agree and hereby acknowledge that the Security Trustee is entitled to assume, for the purposes of exercising any power, trust, authority, duty or discretion under or in relation to these Conditions or any of the Transaction Documents, that such exercise will not be materially prejudicial to the interests of the Noteholders if a Credit Rating Agency Confirmation of each of the Credit Rating Agencies has been obtained that the then current rating of the applicable classes of Notes would not be adversely affected by such exercise.

By obtaining a Credit Rating Agency Confirmation each of the Security Trustee, the Noteholders and the other Secured Creditors will be deemed to have agreed and/or acknowledged that (i) a credit rating is an assessment of credit only and does not address other matters that may be of relevance to the Noteholders or the other Secured Creditors (ii) neither the Security Trustee nor the Noteholders nor the other Secured Creditors have any right of recourse to or against the relevant Credit Rating Agency in respect of the relevant Credit Rating Agency Confirmation which is relied upon by the Security Trustee and that (iii) reliance by the Security Trustee on a Credit Rating Agency Confirmation does not create, impose on or extend to the relevant Credit Rating Agency any actual or contingent liability to any person (including, without limitation, the Security Trustee and/or the Noteholders and/or the other Secured Creditors) or create any legal relations between the relevant Credit Rating Agency and the Security Trustee, the Noteholders, the other Secured Creditors or any other person whether by way of contract or otherwise.

(d) *Indemnification for individual Noteholders*

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

(e) *Removal of managing director of Security Trustee*

The most senior Class of Notes may by Extraordinary Resolution of a meeting of such Class remove any or all of the managing directors of the Security Trustee, provided that the other Secured Creditors have been consulted. Any managing director so removed will not be responsible for any costs or expenses arising from any such removal. Before any managing directors of the Security Trustee are so removed, the Issuer will procure that successor managing directors are appointed in accordance with the Security Trustee's articles of association as soon as reasonably practicable. The removal of a managing director of the Security Trustee will not become effective until a successor managing director is appointed.

15. Replacements of Notes and Coupons

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

16. Governing Law

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

4.2 Form

Each Class of the Notes shall be initially represented by (i) in the case of the Class A1 Notes, a Temporary Global Note in bearer form, without coupons attached, in the principal amount of EUR 175,000,000, (ii) in the case of the Class A2 Notes, a Temporary Global Note in bearer form, without coupons attached, in the principal amount of EUR 765,000,000, (iii) in the case of the Class B Notes, a Temporary Global Note in bearer form, without coupons attached, in the principal amount of EUR 25,000,000, (iv) in the case of the Class C Notes, a Temporary Global Note in bearer form, without coupons attached, in the principal amount of EUR 20,000,000, (v) in the case of the Class D Notes, a Temporary Global Note in bearer form, without coupons attached, in the principal amount of EUR 15,000,000 and (vi) in the case of the Class E Notes, a Temporary Global Note in bearer form, without coupons attached, in the principal amount of EUR 10,000,000. The Temporary Global Note representing the Class A1 Notes and the Temporary Global Note representing the Class A2 Notes will be deposited with Euroclear as common safekeeper for Euroclear and Clearstream, Luxembourg on or about 27 June 2013. The Temporary Global Notes representing the Notes (other than the Class A Notes) will be deposited with BNP Paribas Securities Services, Luxembourg Branch as common safekeeper for Euroclear Bank S.A./N.V., as operator of the Euroclear and Clearstream, Luxembourg on or about 27 June 2013. Upon deposit of each such Temporary Global Note, Euroclear and Clearstream, Luxembourg will credit each purchaser of the Notes represented by such Temporary Global Notes with the amount of the relevant Class of Notes equal to the amount thereof for which it has purchased and paid. Interests in each Temporary Global Note will be exchangeable (provided certification of non-U.S. beneficial ownership by the Noteholders has been received) on the Exchange Date in the amount of the Notes of the relevant Class. On the exchange of a Temporary Global Note for a Permanent Global Note of the relevant Class, the Permanent Global Note will remain deposited with the relevant common safekeeper.

The Class A Notes are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Class A Notes are intended upon issue to be deposited with one of the International Central Securities Depositories and/or Central Securities Depositories that fulfils the minimum standard established by the European Central Bank, as common safekeeper and does not necessarily mean that the Class A Notes will be recognised Eurosystem Eligible Collateral either upon issue or at any or all times during their life. Such recognition will, *inter alia*, depend upon satisfaction of the Eurosystem eligibility criteria, as amended from time to time, which criteria will include the requirement that loan-by-loan information be made available to investors in accordance with the template which is available on the website of the European Central Bank. It has been agreed in the Administration Agreement that the Issuer Administrator shall use its best efforts to make such loan-by-loan information available on a quarterly basis which information can be obtained at the website of the European DataWarehouse http://www.eurodw.eu/edwin.html within one month after the Notes Payment Date, for as long as such requirement is effective, to the extent it has such information available. Should such loan-by-loan information not comply with the European Central Bank's requirements or not be available at such time, the Class A Notes may not be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem.

The Notes other than the Class A Notes are not intended to be held in a manner which allows Eurosystem eligibility. The Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes are not intended to be recognised as Eurosystem Eligible Collateral.

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

For as long as all of the Notes are represented by the Global Notes and such Global Notes are held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relevant accountholders rather than by publication as required by Condition 13 (*Notices*) (provided that, in the case of any publication required by a stock exchange, that stock exchange agrees or, as the case may be, any other publication requirement of such stock exchange will be met). Any such notice shall be deemed to have been given to the Noteholders on the seventh (7^{th}) day after the day on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

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

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

(i) Class A1 Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Class A1 Notes;

(ii) Class A2 Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Class A2 Notes;

(iii) Class B Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Class B Notes;

(iv) Class C Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Class C Notes;

(v) Class D Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Class D Notes; and

(vi) Class E Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Class E Notes,

in each case within thirty (30) calendar days of the occurrence of the relevant event, subject in each case to certification as to non-U.S. beneficial ownership.

The Definitive Notes and the Coupons will bear the following legend: "ANY UNITED STATES PERSON (AS DEFINED IN THE INTERNAL REVENUE CODE), WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(J) AND 1287(A) OF THE INTERNAL REVENUE CODE".

The sections referred to in such legend provide that such a United States Person who holds a Note will not, with certain exceptions, be permitted to deduct any loss, and will not be eligible for favourable capital gains treatment with respect to any gain, realised on a sale, exchange or redemption of a Definitive Note or Coupon.

The following legend will appear on all Global Notes receipts and interest coupons which are held by Euroclear or Clearstream, Luxembourg: "NOTICE: THIS NOTE IS ISSUED FOR DEPOSIT WITH EUROCLEAR OR CLEARSTREAM, LUXEMBOURG. 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 Subscription and sale

The Joint Lead Managers have, pursuant to the Subscription Agreement agreed with the Issuer, subject to certain conditions, to jointly and severally subscribe or procure the subscription for the Class A Notes at their Issue Price. BNP Paribas, London Branch has agreed to subscribe, or procure the subscription for the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes at their Issue Price.The Issuer has agreed to indemnify and reimburse the Joint Lead Managers against certain liabilities and expenses in connection with the issue of the Notes.

European Economic Area

In relation to each Relevant Member State, each of the Joint Lead Managers has represented and agreed that with effect from and including the Relevant Implementation Date it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State other than:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of each Joint Lead Manager nominated by the Issuer for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Notes shall require the Issuer or any of the Joint Lead Managers 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. The expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

The Netherlands

Each of the Joint Lead Managers represents and agrees that (a) it is a Professional Market Party and (b) the Notes (including the rights representing an interest in the Global Notes) which are the subject of this Prospectus, shall not be offered, soled, transferred or delivered to the public in the Netherlands, unless in reliance on Article 3(2) of the Prospectus Directive and provided:

(a) such offer is made exclusively to legal entities which are qualified investors in the Netherlands; or

(b) standard logo and exemption wording are incorporated in the terms and conditions in relation to the Notes, advertisements and documents in which the offer is announced, as required by Section 5:20(5) of the Wft; or

(c) such offer is otherwise made in circumstances in which Section 5:20(5) of the Wft is not applicable.

For the purposes of the above, the expression offer of "Notes to the public" in relation to any Notes in the Netherlands has the meaning given to them in the paragraph *European Economic Area*.

France

Each of the Joint Lead Managers has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and has not made and will not make any communication by any means about the offer to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Prospectus or any other offering material relating to the Notes, and that such offers, sales, communications and distributions have been and shall be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties and/or (b) qualified investors (*investisseurs qualifiés*), other than individuals, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French Code monétaire et financier.

In addition, pursuant to Article 211-3 of the Règlement général of the Autorité des Marchés Financiers (AMF), it must disclose to any investors in a private placement as described in the above that: (i) the offer does not require a prospectus to be submitted for approval to the AMF, (ii) qualified investors (*investisseurs qualifiés*) as defined in the above may take part in the offer solely for their own account, as provided in Articles D. 411-1, D. 411-2, D. 734-1, D. 744-1, D. 754-1 and D. 764-1 of the French Code monétaire et financier and (iii) the financial instruments thus acquired cannot be distributed directly or indirectly to the public otherwise than in accordance with Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the French Code monétaire et financier.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended). Accordingly, each of the Joint Lead Managers has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) and any other relevant laws, regulations and ministerial guidelines of Japan.

United Kingdom

Each of the Joint Lead Managers has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) received by it in connection with the issue or sale of the Notes in circumstances in which section 21(1) of the Financial Services and Markets Act 2000 does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the Financial Services and Markets Act 2000 with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

United States

The Notes have not been and will not be registered under the Securities Act or under any state securities laws of the United States. Therefore, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, any U.S. person (as defined in Regulation S), except in accordance with Regulation S or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and other applicable state securities laws. Each of the Joint Lead Managers has offered and sold and will offer and sell the Notes only in accordance with Rule 903 of Regulation S (i) as part of its distribution at any time or (ii) otherwise prior to forty (40) calendar days after the later of the commencement of the offering of the Notes and the closing date of the offering of the Notes only in accordance with Rule 903 of Regulation S. Accordingly, none of the Joint Lead Managers, their affiliates nor any persons acting on any of their behalf have engaged or will engage in any directed selling efforts with respect to the Notes, and they have and will comply with the offering restrictions requirement of Regulation S. Each of the Joint Lead Managers agrees that, at or prior to the confirmation of the sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the Securities Act), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time and (ii) otherwise until forty (40) calendar days after the later of the commencement of the offering or the closing date, in either case only in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S under the Securities Act."

Terms used in this paragraph and not otherwise defined in this Prospectus have the meanings given to them in Regulation S.

General

The distribution of this Prospectus and the offering and sale of the Notes in certain jurisdictions may be restricted by law; persons into whose possession this Prospectus comes are required by the Issuer and the Joint Lead Managers to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer, or an invitation to subscribe for or purchase, any Notes.

4.4 Regulatory & industry compliance

Retention statement

The Seller has in the Subscription Agreement undertaken, for as long as the Notes are outstanding, to each of the Joint Lead Managers that the Seller will at all times comply with the requirements of Article 122a of the CRD. The Seller has specifically undertaken that it will at all times retain a material net economic interest of not less than five (5) per cent. in the securitisation transaction described in this Prospectus in accordance with the requirements of the CRD. As at the Closing Date, such material net economic interest will be held in accordance with Article 122a paragraph (1) sub-paragraph (d) of the CRD and will comprise of the entire interest in the first loss tranche of the securitisation transaction described in this Prospectus (held through the Class E Notes) and, if necessary, other tranches having the same or a more severe risk profile than those sold to investors. The Seller has provided a corresponding undertaking with respect to the interest to be retained by it during the period wherein the Notes are outstanding to the Issuer and the Security Trustee in the Mortgage Receivables Purchase Agreement. The Seller has further undertaken that any intended or actual change in, or the manner in which, its interest in the first loss tranche is held will be made in accordance with Article 122a of the CRD and will be notified by the Seller to the Issuer and will, after having received such information from the Seller, be notified by the Issuer to the Noteholders in its quarterly investor report.

In addition to the information set out herein and forming part of this Prospectus, the Seller has undertaken to the Joint Lead Managers, the Issuer and the Security Trustee to make available to Noteholders all materially relevant data required to ensure that the Seller complies with the requirements of Article 122a paragraph (7) of the CRD, which can be obtained from the Seller upon request.

After the Closing Date, the Issuer will prepare quarterly investor reports wherein relevant information with regard to the Mortgage Loans and Mortgage Receivables will be disclosed publicly together with a confirmation by the Seller of its compliance with the requirements of Article 122a of the CRD, including, confirmation of the retention of the material net economic interest in the securitisation transaction described in this Prospectus by the Seller.

RMBS Standard

This Prospectus follows the template table of contents and the template glossary of defined terms (save as otherwise indicated in this Prospectus), and the investor reports to be published by the Issuer will follow the applicable template investor report (save as otherwise indicated in the relevant investor report), each as published by the DSA on its website www.dutchsecuritisation.nl as at the date of this Prospectus. As a result the Notes comply with the RMBS Standard.

PCS Label

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

The PCS Label is not a recommendation to buy, sell or hold securities. It is not investment advice whether generally or as defined under Markets in Financial Instruments Directive (2004/39/EC) and it is not a credit rating whether generally or as defined under the CRA Regulation or Section 3(a) of the United States Securities Exchange Act of 1934 (as amended by the Credit Agency Reform Act of 2006). Prime Collateralised Securities (PCS) UK Limited is not an "expert" as defined in the Securities Act.

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

4.5 Use of proceeds

The aggregate proceeds of the Notes to be issued on the Closing Date amount to EUR 1,010,000,000. The net proceeds of the issue of the Notes (other than the Class E Notes) will be applied on the Closing Date to pay part of the Initial Purchase Price for the Mortgage Receivables purchased under the Mortgage Receivables Purchase Agreement on the Closing Date. Furthermore, the Issuer will receive an amount of EUR 31,144,359.91 as consideration for the Insurance Savings Participations granted to the Insurance Savings Participants in the Savings Mortgage Receivables and Hybrid Mortgage Receivables. The Issuer will apply this amount towards payment in part of the Initial Purchase Price for the Mortgage Receivables purchased by the Issuer on the Closing Date. The proceeds of the issue of the Class E Notes will be used to fund the Reserve Account on the Closing Date.

4.6 Taxation in the Netherlands

The following is a general summary and the tax consequences as described here may not apply to a Holder of Notes. Any potential investor should consult his tax adviser for more information about the tax consequences of acquiring, owning and disposing of Notes in his particular circumstances.

This taxation summary solely addresses the principal Dutch tax consequences of the acquisition, ownership and disposal of Notes. It does not consider every aspect of taxation that may be relevant to a particular Holder of Notes. This summary assumes that the Issuer is organised, and that its business will be conducted, in the manner outlined in this Prospectus. A change to such organisational structure or to the manner in which the Issuer conducts its business may invalidate the contents of this summary, which will not be updated to reflect any such change.

This summary is based on the tax law of the Netherlands (unpublished case law not included) as it stands at the date of this Prospectus. Where in this Dutch taxation paragraph the terms "the Netherlands" and "Dutch" are used, these refer solely to the European part of the Kingdom of the Netherlands. The law upon which this summary is based is subject to changes, perhaps with retroactive effect. Any such change may invalidate the contents of this summary, which will not be updated to reflect such change. This summary assumes that each transaction with respect to Notes is at arm's length.

Where in this Dutch taxation paragraph reference is made to a "Holder of Notes", that concept includes, without limitation:

(a) an owner of one or more Notes who in addition to the title to such Notes has an economic interest in such Notes;

(b) a person who or an entity that holds the entire economic interest in one or more Notes;

(c) a person who or an entity that holds an interest in an entity, such as a partnership or a mutual fund, that is transparent for Dutch tax purposes, the assets of which comprise one or more Notes, within the meaning of 1. or 2. above; or

(d) a person who is deemed to hold an interest in Notes, as referred to under 1. to 3., pursuant to the attribution rules of article 2.14a, of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*), with respect to property that has been segregated, for instance in a trust or a foundation.

Withholding tax

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

Taxes on income and capital gains

The summary set out in this section "Taxes on income and capital gains" applies only to a Holder of Notes who is neither resident nor deemed to be resident in the Netherlands for the purposes of Dutch income tax or corporation tax, as the case may be, and who, in the case of an individual, has not elected to be treated as a resident of the Netherlands for Dutch income tax purposes (a "Non-Resident Holder of Notes").

Individuals

A Non-Resident Holder of Notes who is an individual will not be subject to any Dutch taxes on income or capital gains in respect of any benefits derived or deemed to be derived from Notes, including any payment under Notes and any gain realised on the disposal of Notes, except if:

(a) he derives profits from an enterprise, whether as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the net value of such enterprise, other than as a shareholder, such enterprise either being managed in the Netherlands or carried on, in whole or in part, through a permanent establishment or a permanent representative in the Netherlands, and his Notes are attributable to such enterprise; or

(b) he derives benefits or is deemed to derive benefits from Notes that are taxable as benefits from miscellaneous activities in the Netherlands (*resultaat uit overige werkzaamheden in Nederland*).

If a Non-Resident Holder of Notes is an individual who does not come under exception (a) above, and if he derives or is deemed to derive benefits from Notes, including any payment under such Notes and any gain realised on the disposal thereof, such benefits are taxable as benefits from miscellaneous activities in the Netherlands if he, or an individual who is a connected person in relation to him as meant by article 3.91, paragraph 2, letter b, or c, of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*), has a substantial interest (*aanmerkelijk belang*) in the Issuer and/or Seller.

Generally, a person has a substantial interest in the Issuer if such person - either alone or, in the case of an individual, together with his partner (*partner*), if any, or pursuant to article 2.14a, of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) – owns or is deemed to own, directly or indirectly, either a number of 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 Seller, or rights to acquire, directly or indirectly, shares, whether or not already issued, 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 Seller, or profit participating certificates (*winstbewijzen*) relating to five per cent. or more of the annual profit of the Issuer and/or the Seller or to five per cent. or more of the liquidation proceeds of the Issuer and/or the Seller.

A person who is entitled to the benefits from shares or profit participating certificates (for instance a holder of a right of usufruct) is deemed to be a holder of shares or profit participating certificates, as the case may be, and such person's entitlement to such benefits is considered a share or a profit participating certificate, as the case may be.

Furthermore, a Non-Resident Holder of Notes who is an individual and who does not come under exception (a) above may, *inter alia*, derive, or be deemed to derive, benefits from Notes that are taxable as benefits from miscellaneous activities in the following circumstances, if such activities are performed or deemed to be performed in the Netherlands:

(a) if his investment activities go beyond the activities of an active portfolio investor, for instance in the case of use of insider knowledge (*voorkennis*) or comparable forms of special knowledge;

(b) if he makes Notes available or is deemed to make Notes available, legally or as a matter of fact, directly or indirectly, to certain parties as meant by articles 3.91 and 3.92 of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) under circumstances described there; or

(c) if he holds Notes, whether directly or indirectly, and any benefits to be derived from such Notes are intended, in whole or in part, as remuneration for activities performed or deemed to be performed in the Netherlands by him or by a person who is a connected person in relation to him as meant by article 3.92b, paragraph 5, of the Dutch Income Tax Act 2001 (*Wet inkomstenbelasting 2001*).

Attribution rule

Benefits derived or deemed to be derived from certain miscellaneous activities by a child or a foster child who is under eighteen years of age are attributed to the parent who exercises, or the parents who exercise, authority over the child, irrespective of the country of residence of the child.

Entities

A Non-Resident Holder of Notes other than an individual will not be subject to any Dutch taxes on income or capital gains in respect of any benefits derived or deemed to be derived from Notes, including any payment under Notes and any gain realised on the disposal of Notes, except if:

(a) such Non-Resident Holder of Notes derives profits from an enterprise directly, or pursuant to a co-entitlement to the net value of such enterprise, other than as a holder of securities, such enterprise either being managed in the Netherlands or carried on, in whole or in part, through a permanent establishment or a permanent representative in the Netherlands, and its Notes are attributable to such enterprise; or

(b) such Non-Resident Holder of Notes has a substantial interest (as described above under *Individuals*) or a deemed substantial interest in the Issuer and/or the Seller.

A deemed substantial interest may be present if shares, profit participating certificates or rights to acquire shares in the Issuer and/or the Seller are held or deemed to be held following the application of a non-recognition provision.

General

Subject to the above, a Non-Resident Holder of Notes will not be subject to income taxation in the Netherlands by reason only of the execution (*ondertekening*), delivery (*overhandiging*) and/or enforcement of the documents relating to the issue of Notes or the performance by the Issuer of its obligations under such documents or under the Notes.

Gift and inheritance taxes

If a Holder of Notes disposes of Notes by way of gift, in form or in substance, or if a Holder of Notes who is an individual, dies, no Dutch gift tax or Dutch inheritance tax, as applicable, will be due, unless:

(a) the donor is, or the deceased was resident or deemed to be resident in the Netherlands for purposes of Dutch gift tax or Dutch inheritance tax, as applicable; or

(b) the donor made a gift of Notes, then became a resident or deemed resident of the Netherlands, and died as a resident or deemed resident of the Netherlands within 180 calendar days of the date of the gift.

For purposes of the above, a gift of Notes made under a condition precedent (*opschortende voorwaarde*) is deemed to be made at the time the condition precedent is satisfied.

Other taxes and duties

No Dutch registration tax, transfer tax, stamp duty or any other similar documentary tax or duty, other than court fees, is payable in the Netherlands in respect of or in connection with (i) the execution, delivery and/or enforcement by legal proceedings (including the enforcement of any foreign judgment in the courts of the Netherlands) of the documents relating to the issue of Notes, (ii) the performance by the Issuer of its obligations under such documents or under the Notes, or (iii) the transfer of Notes, except that Dutch real property transfer tax (*overdrachtsbelasting*) may be due by a Holder of Notes if, in satisfaction of all or part of any of its rights under the Notes, it acquires any asset, or an interest in any asset (*economische eigendom*), that qualifies as real property or as a right over real property situated in the Netherlands, for the purposes of Dutch real property transfer tax (*overdrachtsbelasting*).

4.7 Security

The Notes will be secured indirectly, through the Security Trustee, by the Trust Deed to be entered into by the Issuer and the Security Trustee, acting as security trustee for the Secured Creditors. The Issuer will agree in the Trust Deed, to the extent necessary in advance, to pay to the Security Trustee any amounts equal to the aggregate of all its liabilities to all the Secured Creditors from time to time due in accordance with the terms and conditions of the relevant Transaction Documents, including, without limitation, the Notes (the **Principal Obligations**), which payment undertaking and the obligations and liabilities resulting therefrom is herein referred to as the Parallel Debt.

The Parallel Debt of the Issuer to the Security Trustee will be secured by (i) a first ranking pledge by the Issuer to the Security Trustee over the Mortgage Receivables pursuant to the Issuer Mortgage Receivables Pledge Agreement, including all rights ancillary thereto in respect of the Mortgage Loans and the Beneficiary Rights and (ii) a first ranking pledge by the Issuer to the Security Trustee over the Issuer's rights under or in connection with the Mortgage Receivables Purchase Agreement, the Swap Agreement, the Conditional Deed of Novation, the Servicing Agreement, the Issuer Account Agreement, the Cash Advance Facility Agreement, the Beneficiary Waiver Agreement, the Insurance Savings Participation Agreements, the Guarantee and in respect of the Issuer Transaction Accounts.

The Issuer and the Security Trustee will enter into the Issuer Mortgage Receivables Pledge Agreement pursuant to which the Issuer undertakes to grant to the Security Trustee a first ranking undisclosed right of pledge (*stil pandrecht eerste in rang*) over the Mortgage Receivables purchased by and assigned to it on the Closing Date and the Beneficiary Rights relating thereto in order to create security for all liabilities of the Issuer to the Security Trustee in connection with the Trust Deed, including the Parallel Debt and any of the other Transaction Documents. In this respect, the Issuer and the Security Trustee acknowledge that (i) the Parallel Debt constitutes undertakings, obligations and liabilities of the Issuer to the Security Trustee which are separate and independent from and without prejudice to the Principal Obligations of the Issuer to any Secured Creditor and (ii) the Parallel Debt represents the Security Trustee's own claim (*vordering*) to receive payment of the Parallel Debt from the Issuer, provided that the aggregate amount that may become due under the Parallel Debt will never exceed the aggregate amount that may become due under all of the Principal Obligations to the Secured Creditors.

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

In addition, the Issuer will vest a right of pledge on the Issuer Rights pursuant to the Issuer Rights Pledge Agreement in favour of the Security Trustee. This right of pledge secures any and all liabilities of the Issuer to the Security Trustee resulting from or in connection with the Parallel Debt. Furthermore, on the Closing Date, the Issuer will vest pursuant to the Issuer Accounts Pledge Agreement, in favour of the Security Trustee, a right of pledge in respect of any and all current and future monetary claims of the Issuer against the Issuer Account Bank, in respect of the Issuer Account Agreement and the Issuer Transaction Accounts. The pledge pursuant to each of the Issuer Rights Pledge Agreement and the Issuer Accounts Pledge Agreement will be notified to the relevant obligors and will therefore be a disclosed right of pledge *(openbaar pandrecht*).

Upon enforcement of the pledges created pursuant to the Pledge Agreements (which is after delivery of an Enforcement Notice), the Security Trustee shall apply the net proceeds received or recovered towards satisfaction of the Parallel Debt. The Security Trustee shall distribute such net proceeds (after deduction of the amounts due and payable to each of the Insurance Savings Participants under the Insurance Savings Participation Agreements which amounts will be paid in priority to all other amounts due and payable by the Issuer at that time under any of the other Transaction Documents) to the Secured Creditors (other than the Insurance Savings Participants). All amounts to be so distributed by the Security Trustee will be paid in accordance with the Post-Enforcement Priority of Payments (as set forth in section 5 (*Credit structure)*).

The security provided pursuant to the provisions of the Trust Deed and the Pledge Agreements shall indirectly, through the Security Trustee, serve as security for the benefit of the Secured Creditors, including, without limitation, each of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders, but amounts owing to the Class B Noteholders will rank junior to Class A Noteholders and amounts owing to the Class C Noteholders will rank junior to the Class A Noteholders and the Class B Noteholders and amounts owing to the Class D Noteholders will rank junior to the Class A Noteholders, the Class B Noteholders and the Class C Noteholders and amounts owing to the Class E Noteholders will rank junior to the Class A Noteholders, the Class B Noteholders, the Class C Noteholders and the Class D Noteholders (see section 5 (*Credit structure*)).

5 CREDIT STRUCTURE

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

5.1 Available Funds

Available Revenue Funds

Prior to the delivery of an Enforcement Notice by the Security Trustee, the sum of the following amounts, calculated as at each Notes Calculation Date as being received or held by the Issuer during the Notes Calculation Period immediately preceding such Notes Calculation Date (items (i) up to and including (xii) less an amount equal to 25 per cent. of the higher of (A) EUR 2,500 and (B) ten (10) per cent. of the amount due and payable per annum by the Issuer to the Directors, pursuant to item (a) of the Revenue Priority of Payments, representing taxable income for corporate income tax purposes in the Netherlands, being hereafter referred to as the **Available Revenue Funds**):

(i) interest on the Mortgage Receivables less, with respect to each Savings Mortgage Receivable and each Hybrid Mortgage Receivable, an amount equal to the interest received multiplied by the Participation Fraction;

(ii) interest credited to the Issuer Transaction Accounts;

(iii) Prepayment Penalties in respect of the Mortgage Receivables;

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

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

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

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

(viii) amounts received in connection with a repurchase of Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement or any other amounts received pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts do not relate to principal, less, with respect to each Savings Mortgage Receivable and each Hybrid Mortgage Receivable, an amount equal to the amount received multiplied by the Participation Fraction;

(ix) amounts received in connection with a sale of Mortgage Receivables pursuant to the Trust Deed to the extent such amounts do not relate to principal, less, with respect to each Savings

Mortgage Receivable and each Hybrid Mortgage Receivable, an amount equal to the amount received multiplied by the Participation Fraction;

(x) amounts received under or in connection with the Guarantee after a request for payment made by the Issuer, to the extent such amounts do not relate to principal;

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

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

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

Available Principal Funds

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

(i) repayment and prepayment in full of principal under the Mortgage Receivables, from any person, whether by set-off or otherwise, less, with respect to each Savings Mortgage Receivable and each Hybrid Mortgage Receivable, the Insurance Savings Participation in such Savings Mortgage Receivable or Hybrid Mortgage Receivable;

(ii) Net Foreclosure Proceeds in respect of any Mortgage Receivables, to the extent such proceeds relate to principal, less, with respect to each Savings Mortgage Receivable and each Hybrid Mortgage Receivable, the Insurance Savings Participation in such Savings Mortgage Receivable or Hybrid Mortgage Receivable;

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

(iv) amounts received in connection with a sale of Mortgage Receivables pursuant to the Trust Deed to the extent such amounts relate to principal, less, with respect to each Savings Mortgage Receivable and each Hybrid Mortgage Receivable, the Insurance Savings Participation in such Savings Mortgage Receivable or Hybrid Mortgage Receivable, if and to the extent such Insurance Savings Participation is terminated;

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

(vi) any Insurance Savings Participation Increase and Switched Savings Participation received pursuant to the Insurance Savings Participation Agreements;

(vii) partial prepayment in respect of Mortgage Receivables, excluding Prepayment Penalties, if any, less with respect to each Savings Mortgage Receivable and each Hybrid Mortgage Receivable in case the partial prepayment made in respect thereof exceeds the difference between (a) the Outstanding Principal Amount under such Savings Mortgage Receivable or such Hybrid Mortgage Receivable and (b) the Insurance Savings Participation therein, an amount equal to such excess up to the Insurance Savings Participation therein;

(viii) amounts received under or in connection with the Guarantee after a request for payment made by the Issuer, to the extent such amounts relate to principal); and

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

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

Cash Collection Arrangements

Payments by the Borrowers under the Mortgage Loans are collected by means of direct debit on or about the second (2^{nd}) Business Day before the end of each calendar month. All payments made by Borrowers will be paid into the Seller Collection Account maintained by the Seller with the Seller Collection Account Bank. On the Closing Date the balance on this account is not pledged to any party, other than to the banks at which the account is established pursuant to the applicable general terms and conditions. The Seller Collection Account will also be used for the collection of monies paid in respect of mortgage loans other than Mortgage Loans and in respect of other monies belonging to the Seller.

On each a Mortgage Collection Payment Date, the Seller shall transfer (or procure that the Servicer shall transfer on its behalf) all amounts of principal, interest, interest penalties and Prepayment Penalties received by it in respect of the Mortgage Loans and paid to the Seller Collection Account during the immediately preceding Mortgage Calculation Period (being the period commencing on (and including) the first day of each calendar month and ending on (and including) the last day of this calendar month) to the Issuer Collection Account. Pursuant to the Guarantee Agreement, the Guarantor will guarantee the payment by the Seller to the Issuer Collection Account of the amounts received by the Seller in respect of the Mortgage Loans.

If at any time the Seller Collection Account Bank does not have the Requisite Credit Rating, the Seller (or the Servicer on its behalf) will within thirty (30) calendar days of any such event (i) procure that a third party, having at least the Requisite Credit Rating, guarantees the obligations of the Seller Collection Account Bank, (ii) find an alternative suitable seller collection account bank having at least the Requisite Credit Rating and acceptable to the Security Trustee or (iii) find another solution which is suitable in order to maintain the then current ratings assigned to the Notes (other than the Class D Notes and the Class E Notes).

Following an Assignment Notification Event as described under section 7.1 (*Purchase, repurchase and sale*), the Borrowers will be required to pay all amounts due by them under the relevant Mortgage Loans directly to the Issuer Collection Account.

5.2 Priority of Payments

Revenue Priority of Payments (prior to Enforcement Notice)

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

(a) *First*, in or towards satisfaction, pro rata, according to the respective amounts thereof, of fees or other remuneration due and payable to the Directors in connection with the Management Agreements and of the fees or other remuneration and indemnity payments (if any) due and payable to the Security Trustee;

(b) *Second*, in or towards satisfaction, pro rata, according to the respective amounts thereof, of (i) the fees and expenses due and payable to the Issuer Administrator under the Administration Agreement, (ii) the fees and expenses due and payable to the Servicer under the Servicing Agreement and (iii) the fees and expenses due and payable to the Issuer Account Bank under the Issuer Account Agreement;

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

(d) *Fourth*, in or towards satisfaction of any amounts due and payable to the Cash Advance Facility Provider under the Cash Advance Facility Agreement or, during a Cash Advance Facility Stand-by Drawing Period, in or towards satisfaction of sums to be credited to the Cash Advance Facility Stand-by Drawing Account less the Subordinated Cash Advance Facility Amount;

(e) *Fifth*, in or towards satisfaction of amounts (other than the fees due and payable to the Back-Up Swap Counterparty), if any, due and payable under the Swap Agreement, including a Settlement Amount, except for any Swap Counterparty Default Payment, payable under (q) below and excluding, for the avoidance of doubt, the payment to the Swap Counterparty of any Swap Collateral which is in excess of its obligations to the Issuer under the Swap Agreement;

(f) *Sixth*, in or towards satisfaction, *pro rata* and *pari passu*, according to the respective amounts thereof, of the amounts of interest due or accrued but unpaid in respect of the Class A1 Notes and the Class A2 Notes;

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

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

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

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

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

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

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

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

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

(p) *Sixteenth*, in or towards satisfaction of principal amounts due on the Class E Notes, until fully redeemed in accordance with the Conditions;

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

(r) *Eighteenth*; in or towards satisfaction of any Subordinated Cash Advance Facility Amount; and

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

Redemption Priority of Payments (prior to Enforcement Notice)

Prior to the delivery of an Enforcement Notice by the Security Trustee, the Available Principal Funds, calculated as at each Notes Calculation Date will, pursuant to the terms of the Trust Deed, be applied by the Issuer on the immediately succeeding Notes Payment Date as follows (the **Redemption Priority of Payments**):

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

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

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

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

Payments outside Priority of Payments (prior to Enforcement Notice)

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

Any Swap Collateral transferred by the Swap Counterparty which is in excess of its obligations to the Issuer under the Swap Agreement will be returned to such Swap Counterparty (outside of any priority of payments) prior to the distribution of any amounts due to the Noteholders or the other Secured Creditors.

Priority of Payments upon Enforcement

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

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

(b) *Second*, in or towards satisfaction*, pro rata*, according to the respective amounts thereof, of (i) the fees and expenses due and payable to the Issuer Administrator under the Administration Agreement, (ii) the fees and expenses due and payable to the Servicer under the Servicing Agreement and (iii) the fees and expenses due and payable to the Issuer Account Bank under the Issuer Account Agreement;

(c) *Third,* in or towards satisfaction *pro rata*, according to the respective amounts thereof, (i) the fees and expenses due and payable to the Paying Agents, the Reference Agent, the common safekeeper and any other agent designated under any of the relevant Transaction Documents, (ii) the amounts due and payable to the Credit Rating Agencies, (iii) the fees due to the Back-Up Swap Counterparty under the Conditional Deed of Novation and (iv) the fees and expenses due and payable to any legal advisors, tax advisors, accountants and auditors appointed by the Issuer or the Security Trustee;

(d) *Fourth*, in or towards satisfaction of any amounts (other than the Subordinated Cash Advance Facility Amount, if any) due and payable to the Cash Advance Facility Provider under the Cash Advance Facility Agreement;

(e) *Fifth*, in or towards satisfaction of amounts (other than the fees due and payable to the Back-Up Swap Counterparty), if any, due and payable to the Swap Counterparty under the Swap Agreement including a settlement amount (as set out in the Swap Agreement), but excluding any Swap Counterparty Default Payment payable under (o) below and excluding, for the avoidance of doubt, any payment to the Swap Counterparty of any Swap Collateral which is in excess of its obligations to the Issuer under the Swap Agreement;

(f) *Sixth*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of all amounts of interest due or accrued but unpaid in respect of the Class A1 Notes and the Class A2 Notes;

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

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

(i) *Ninth*, in or towards satisfaction, of principal and other amounts due on the Class B Notes, until fully redeemed in accordance with the Conditions;

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

(k) *Eleventh*, in or towards satisfaction, of principal and other amounts due on the Class C Notes, until fully redeemed in accordance with the Conditions;

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

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

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

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

(p) *Sixteenth*, in or towards satisfaction, of principal and other amounts due on the Class E Notes, until fully redeemed in accordance with the Conditions;

(q) *Seventeenth*, in or towards satisfaction of any Subordinated Cash Advance Facility Amount; and

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

5.3 Loss allocation

A Principal Deficiency Ledger, comprising four sub-ledgers known as the Class A Principal Deficiency Ledger, Class B Principal Deficiency Ledger, Class C Principal Deficiency Ledger and Class D Principal Deficiency Ledger will be established by or on behalf of the Issuer in order to record any Realised Loss as Principal Deficiency. On any Notes Calculation Date, any Realised Loss shall be debited to the Class D Principal Deficiency Ledger (such debit items being re-credited at item (l) of the Revenue Priority of Payments) so long as the debit balance on such sub-ledger is not greater than the Principal Amount Outstanding of the Class D Notes, and thereafter the Class C Principal Deficiency Ledger (such debit items being re-credited at item (j) of the Revenue Priority of Payments) so long as the debit balance on such sub-ledger is not greater than the Principal Amount Outstanding of the Class

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

Realised Loss means, on any Notes Calculation Date, the sum of (a) the aggregate Outstanding Principal Amount of all Mortgage Receivables, excluding the Insurance Savings Participations therein, on which the Seller, the Issuer or the Security Trustee (or the Servicer on their behalf) has foreclosed and has received the Net Foreclosure Proceeds in the Notes Calculation Period immediately preceding such Notes Calculation Date minus the Net Foreclosure Proceeds applied to reduce the Outstanding Principal Amount of such Mortgage Receivables, (b) with respect to Mortgage Receivables sold by the Issuer pursuant to the Mortgage Receivables Purchase Agreement or the Trust Deed in the Notes Calculation Period immediately preceding such Notes Calculation Date, the amount of the aggregate Outstanding Principal Amount of all such Mortgage Receivables, excluding the Insurance Savings Participations therein, minus the purchase price received, or to be received on the immediately succeeding Notes Payment Date, in respect of such Mortgage Receivables to the extent relating to principal and (c) with respect to Mortgage Receivables which have been extinguished (*teniet gegaan*), in part or in full, in the Notes Calculation Period immediately preceding such Notes Calculation Date as a result of a set-off right or defence to payments having been invoked by the relevant Borrower or the Seller, as the case may be, the positive difference, if any, between the amount by which the Mortgage Receivables have been extinguished (*teniet gegaan*) and the amount received from the Seller during the Mortgage Calculation Period immediately preceding such Notes Calculation Date pursuant to the Mortgage Receivables Purchase Agreement in connection with such set-off or defence.

5.4 Hedging

The Mortgage Loan Criteria require that all Mortgage Loans bear a floating rate of interest or fixed rate of interest, subject to a reset from time to time. The interest rate payable by the Issuer with respect to the Notes is calculated as a margin over Euribor, which margin will for the Class A Notes increase after the First Optional Redemption Date. The Issuer will hedge this interest rate exposure by entering into the Swap Agreement with the Swap Counterparty and the Security Trustee. Under the Swap Agreement, the Issuer will agree to pay amounts equal to (a) the interest scheduled to be received in respect of the relevant Notes Calculation Period in accordance with the terms of the relevant Mortgage Conditions on all Mortgage Receivables (minus (i) with respect to any Savings Mortgage Receivable and Hybrid Mortgage Receivable, an amount equal to the interest amounts scheduled to be received on such Savings Mortgage Receivable and Hybrid Mortgage Receivable multiplied by the relevant Participation Fraction and (ii) with respect to any Mortgage Receivables in respect of which the enforcement procedures have been fully and finally terminated, an amount equal to the accrued interest thereon), plus (b) the interest credited to the Issuer Collection Account, and plus (c) Prepayment Penalties and any penalty interest (*boeterente*), less the sum of (i) certain expenses as described under (a), (b) and (c) of the Revenue Priority of Payments, and (ii) the Excess Spread. In return, the Swap Counterparty will agree to pay amounts equal to the scheduled interest due under each Class of Notes (other than the Class E Notes), calculated by reference to the Floating Rate of Interest applied to the Principal Amount Outstanding of the relevant Class of Notes on the first (1st) day of the relevant Interest Period. The notional amount under the Swap Agreement, however, will be reduced to the extent there will be a debit balance on any of the sub-ledgers of the Principal Deficiency Ledger on the Notes Payment Date on which the relevant Interest Period ends after application of the Available Revenue Funds.

The Swap Agreement provides that, in the event that any payment made by the Issuer to the Swap Counterparty is less than the amount which the Issuer would be required to pay to the Swap Counterparty, the corresponding payment obligation of the Swap Counterparty to the Issuer shall be reduced by an amount equal to such shortfall.

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

Payments under the Swap Agreement will be netted.

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

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

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

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

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

If at any time the Back-Up Swap Counterparty (or its successor) is assigned a rating less than the Requisite Credit Rating or, in the event that any Notes (other than the Class D Notes and the Class E Notes) are downgraded immediately prior to a downgrade of the Back-Up Swap Counterparty, and/or if any such rating is withdrawn by S&P or Fitch, the Swap Counterparty will be required to take certain remedial measures which may include the provision of collateral for its obligations under the Swap Agreement, arranging for its obligations under the Swap Agreement to be transferred to an entity with the Requisite Credit Rating, procuring another entity with at least the Requisite Credit Rating to become co-obligor or guarantor in respect of its obligations under the Swap Agreement, or (other than Fitch) the taking of such other suitable action as it may then propose to the Credit Rating Agencies. A failure to take such steps, subject to certain conditions, will give the Issuer the right to terminate the Swap Agreement.

The Issuer, the Swap Counterparty and the Security Trustee have entered into a credit support annex, which is a part of the Swap Agreement on the basis of the standard ISDA documentation, which provides for requirements relating to the providing of collateral by the Swap Counterparty if the Back-Up Swap Counterparty (or its successor) ceases to have at least the Requisite Credit Rating.

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

5.5 Liquidity support

Guarantee

As from the Mortgage Collection Payment Date immediately following the date the Seller has accepted deposits from the Borrowers, the Seller shall (i) if and to the extent necessary, fund an additional cash account held by the Issuer at the Issuer Account Bank such that, on such Mortgage Collection Payment Date and on each Mortgage Collection Payment Date thereafter until all Notes (other than the Class E Notes) have been redeemed or written off in full, the amount credited to such cash account is at least equal to the aggregate amounts of deposits of such Borrowers as of the last day of the calendar month immediately preceding the relevant Mortgage Collection Payment Date or (ii) find any other solution in order to maintain the then current rating of the Notes (other than the Class D Notes and the Class E Notes). Pursuant to the Guarantee Agreement, the Guarantor will guarantee the funding by the Seller of an additional cash account at the Issuer Account Bank.

Cash Advance Facility

On the Signing Date, the Issuer will enter into the Cash Advance Facility Agreement with the Cash Advance Facility Provider. On any Notes Payment Date (other than a Notes Payment Date if and to the extent that on such date the Notes are redeemed in full) the Issuer will be entitled to make drawings under the Cash Advance Facility up to the Cash Advance Facility Maximum Amount. The Cash Advance Facility Agreement is for a term of 364 days. Payments to the Cash Advance Facility Provider (other than the Subordinated Cash Advance Facility Amount) will rank in priority higher than payments under the Notes. The commitment of the Cash Advance Facility Provider is extendable at its discretion.

Any Cash Advance Facility Drawing by the Issuer shall only be made on a Notes Payment Date if and to the extent that, after the application of any Available Revenue Funds, inclusive of the amounts available on the Reserve Account, and before any Cash Advance Facility Drawing is made, there is a shortfall in the Available Revenue Funds to meet items (a) up to and including (l) of the Revenue Priority of Payments in full on that Notes Payment Date, provided that no drawings may be made to meet items (g), (i) and (k) of the Revenue Priority of Payments, and provided further that no drawings may be made on any Notes Payment Date for shortfalls in interest:

(a) on the Class B Notes if, after application of the Available Revenue Funds on such Notes Payment Date, there remains a debit balance on the Class B Principal Deficiency Ledger;

(b) on the Class C Notes if, after application of the Available Revenue Funds on such Notes Payment Date, there remains a debit balance on the Class C Principal Deficiency Ledger; and

(c) on the Class D Notes if, after application of the Available Revenue Funds on such Notes Payment Date, there remains a debit balance on the Class D Principal Deficiency Ledger.

If at any time the Cash Advance Facility Provider is (i) assigned a credit rating of less than the Requisite Credit Rating, and/or such rating is withdrawn or the Cash Advance Facility Provider refuses to comply with a request of the Issuer to extend the Cash Advance Facility for a further term of 364 days and (ii) within thirty (30) calendar days of such downgrading, withdrawal, or refusal the Cash Advance Facility Provider is not replaced with a suitable alternative cash advance facility provider, or a third party having at least the Requisite Credit Rating has not guaranteed the obligations of the Cash Advance Facility Provider, or (other than Fitch) another solution which is suitable in order to maintain the then current ratings assigned to the Notes is not found, the Issuer will be required forthwith to make a Cash Advance Facility Stand-by Drawing and deposit such amount into the Cash Advance Facility Stand-by Drawing Account. Amounts so deposited into the Cash Advance Facility Stand-by Drawing Account may be utilised by the Issuer in the same manner as if the Cash Advance Facility Stand-by Drawing had not been made. A Cash Advance Facility Stand-by Drawing shall also be made if the Cash Advance Facility is not renewed prior to the commitment termination date.

5.6 Transaction Accounts

Issuer Collection Account

The Issuer will maintain with the Issuer Account Bank the Issuer Collection Account to which all amounts received (i) in respect of the Mortgage Loans, (ii) from the Insurance Savings Participants under the Insurance Savings Participation Agreements and (iii) from the Guarantor under the Guarantee, will be paid. Furthermore, any drawing (other than a Cash Advance Facility Stand-by Drawing) made under the Cash Advance Facility Agreement shall be deposited into the Issuer Collection Account. The Issuer Administrator will identify all amounts paid into the Issuer Collection Account. Payments received by the Issuer on each Mortgage Collection Payment Date in respect of the Mortgage Loans will be identified as principal, interest or other revenue receipts.

Reserve Account

The Issuer will maintain with the Issuer Account Bank the Reserve Account. The proceeds of the Class E Notes will be credited to the Reserve Account on the Closing Date.

Amounts credited to the Reserve Account will be available for drawing on any Notes Payment Date to meet items (a) up to and including (m) of the Revenue Priority of Payments in the event the Available Revenue Funds (excluding items (v) and (vi) of the definition thereof) on such Notes Payment Date are insufficient to meet such items in full.

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

The Reserve Account Target Level will on any Notes Calculation Date be an amount equal to 1.00% of the aggregate Principal Amount Outstanding of the Notes (other than the Class E Notes) on the Closing Date or zero, in case the Notes (other than the Class E Notes) have been redeemed on such date or are to be redeemed on the Notes Payment Date immediately succeeding such date.

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

As from the earlier of (i) the Notes Calculation Date upon which all amounts of interest and principal due in respect of the Notes, except for principal in respect of the Class E Notes, have been paid on the Notes Payment Date immediately preceding such Notes Calculation Date or will be available for payment on the Notes Payment Date immediately following such Notes Calculation Date, (ii) the Notes Calculation Date upon which the aggregate Outstanding Principal Amount of the Mortgage Receivables has been reduced to zero and (iii) the Notes Payment Date on which the Issuer no longer holds any Mortgage Receivables and there is no balance standing to the credit of the Issuer Collection

Account, the Reserve Account Target Level will be reduced to zero and any amount standing to the credit of the Reserve Account will thereafter form part of the Available Revenue Funds and will thus be available among others to redeem or partially redeem the Class E Notes until fully redeemed and thereafter towards satisfaction of the Deferred Purchase Price to the Seller.

Cash Advance Facility Stand-by Drawing Account

The Issuer shall maintain with the Issuer Account Bank the Cash Advance Facility Stand-by Drawing Account into which any Cash Advance Facility Stand-by Drawing to be made under the Cash Advance Facility Agreement will be deposited.

Eligible Investments

Provided that the Seller has given its prior approval, the Issuer may at its option invest, at any time, the balance standing to the credit of the Issuer Transaction Accounts in Eligible Investments. **Eligible Investments** are (A) euro-denominated securities which (i) may not have a maturity beyond the immediately succeeding Notes Payment Date and (ii) are assigned a rating that is at least equal to the Eligible Investments Minimum Ratings, or (B) funds deposited under a guaranteed interest contract or similar accounts with bank providers having at least the Requisite Credit Rating and provided all rights in relation to such accounts will have been pledged to the Security Trustee as provided in Condition 2(b)(iii) and provided further that in case the bank at which the funds are deposited is assigned a rating below the Requisite Credit Rating and/or such rating is withdrawn, the Issuer shall transfer the funds to another bank account held with a bank having at least the Requisite Credit Rating. **Eligible Investments Minimum Ratings** means (A) in respect of securities (i) a rating of (a) AA- or A-1+ or AAAm+ by S&P in case of a remaining tenor of 365 calendar days or less or (b) A-1 by S&P in case of a remaining tenor of sixty (60) calendar days or less, and (ii) a rating of (a) AA- or F1+ by Fitch in case of a remaining tenor less than one year but longer than thirty (30) calendar days or (b) A or F1 by Fitch in case of a remaining tenor less than thirty (30) days, and (B) in respect of money market funds a rating of AAAm by S&P.

Rating of the Issuer Account Bank

If at any time the Issuer Account Bank is assigned a rating less than the Requisite Credit Rating and/or such rating is withdrawn, the Issuer Account Bank shall (i) replace itself on substantially the same terms by an alternative bank having a rating at least equal to the Requisite Credit Rating within a period of thirty (30) calendar days after the occurrence of any such downgrading or withdrawal as a result of which the Issuer and/or the Issuer Administrator on its behalf will be required to transfer the balance on all such Issuer Transaction Accounts to such alternative bank, or (ii) procure that a third party, having at least the Requisite Credit Rating, guarantees the obligations of the Issuer Account Bank or (iii) find another solution which is suitable in order to maintain the then current ratings assigned to the Notes (other than the Class D Notes and the Class E Notes).

Interest on the Issuer Transaction Accounts

The rate of interest payable by the Issuer Account Bank with respect to the Issuer Transaction Accounts will be determined by reference to EONIA minus a margin (with a minimum of zero per cent.)

on the balance standing from time to time to the credit of each of the Issuer Collection Account, the Reserve Account and the Cash Advance Facility Stand-by Drawing Account.

5.7 Administration Agreement

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

The Administration Agreement may be terminated by the Issuer and the Security Trustee, acting jointly, upon the occurrence of certain termination events, including but not limited to, a failure by the Issuer Administrator to comply with its obligations (unless remedied within the applicable grace period), dissolution or liquidation of the Issuer Administrator or the Issuer Administrator being declared bankrupt or granted a suspension of payments. In addition the Administration Agreement may be terminated by the Issuer Administrator upon the expiry of not less than six (6) months' notice, subject to (i) written approval by the Issuer and the Security Trustee, which approval may not be unreasonably withheld and (ii) each Credit Rating Agency having provided a Credit Rating Agency Confirmation in respect of the termination. A termination of the Administration Agreement by either the Issuer and the Security Trustee or the Issuer Administrator will only become effective if a substitute issuer administrator is appointed.

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

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

6 PORTFOLIO INFORMATION

6.1 Stratification tables

The Mortgage Loans have been selected according to the Seller's underwriting criteria, except in the case of NHG Mortgage Loan Parts each of which have been selected according to the criteria of Stichting WEW (see section 6.3 (*Origination and servicing by Originator*). The information set out below in relation to the Mortgage Loans may not necessarily correspond to that of the Mortgage Loans actually sold on the Closing Date. After the Cut-Off Date, the portfolio of Mortgage Loans will change from time to time as a result of repayment, prepayment and repurchase of Mortgage Receivables. For a description of the representations and warranties given by the Seller reference is made to section 7.2 (*Representations and warranties*).

The numerical information set out below relates to the Mortgage Loans as of the Cut-Off Date and has been extracted without material adjustment from the databases relating to the Mortgage Loans originated by the Seller held at the Seller. All amounts mentioned in this section and in the tables below are expressed in euro.

The following table is a summary of the key characteristics of the pool of the Mortgage Loans as selected on the Cut-Off Date. These characteristics demonstrate the capacity to, subject to the risk factors referred to under the section entitled *Risk factors* above, produce funds to pay interest and principal on the Notes, provided that each such payment shall be subject to the relevant Priority of Payments as further described under the section entitled *Credit structure* above.

TABLE 1: Key characteristics

Principal balance	1.031.144.384,84
Value of Saving Deposits	31.144.359,91
Net principal balance	1.000.000.024,93
Construction Deposits	0
Net principal balance excl. Construction and Saving Deposits	1.000.000.024,93
Number of loans	4.694
Number of loanparts	8.917
Average principal balance (borrower)	219.672,86
Weighted average current interest rate	4,83%
Weighted average maturity (in years)	25,11
Weighted average remaining time to interest reset (in years)	15,04
Weighted average seasoning (in years)	3,65
Weighted average current loan to original market value	83,99%
Weighted average current loan to indexed market value	97,09%
Weighted average current loan to original foreclosure value	93,64%
Weighted average current loan to indexed foreclosure value	108,22%

TABLE 2: Redemption type

Redemption Type	Number of Loan Parts	Percentage of Loan Parts	Aggregate Outstanding Principal Balance	Percentage of Aggregate Outstanding Principal Balance
Annuity	321	3,60%	15.787.841,48	1,58%
Hybrid	495	5,55%	49.779.621,64	4,98%
Interest only	5.034	56,45%	603.787.467,53	60,38%
Investment	101	1,13%	8.469.397,95	0,85%
Life	640	7,18%	60.568.072,36	6,06%
Linear	29	0,33%	2.452.525,56	0,25%
Savings	2.297	25,76%	259.155.098,41	25,92%
Total	8.917	100,00%	1.000.000.024,93	100,00%

TABLE 3: Outstanding loan amount net of savings

Outstanding loan amount net of savings (EUR)	Number of Whole Loans	Percentage of Whole Loans	Aggregate Outstanding Principal Balance	Percentage of Aggregate Outstanding Principal Balance
[25,000.00 - 50,000.00 [	11	0,23%	449.078,24	0,04%
[50,000.00 - 75,000.00 [	94	2,00%	6.193.894,65	0,62%
[75,000.00 - 100,000.00 [	241	5,13%	21.043.088,64	2,10%
[100,000.00 - 125,000.00 [	377	8,03%	41.392.790,31	4,14%
[125,000.00 - 150,000.00 [	443	9,44%	59.237.100,86	5,92%
[150,000.00 - 175,000.00 [	505	10,76%	79.201.296,19	7,92%
[175,000.00 - 200,000.00 [	533	11,35%	96.234.417,76	9,62%
[200,000.00 - 225,000.00 [	537	11,44%	109.555.041,31	10,96%
[225,000.00 - 250,000.00 [	475	10,12%	108.753.112,18	10,88%
[250,000.00 - 275,000.00 [	475	10,12%	119.671.378,76	11,97%
[275,000.00 - 300,000.00 [	283	6,03%	78.641.578,55	7,86%
[300,000.00 - 325,000.00 [	208	4,43%	62.358.868,98	6,24%

[325,000.00 - 350,000.00 [	143	3,05%	46.849.384,61	4,68%
[350,000.00 - 375,000.00 [	71	1,51%	25.105.969,32	2,51%
[375,000.00 - 400,000.00 [	62	1,32%	23.267.826,28	2,33%
[400,000.00 - 500,000.00 [	117	2,49%	49.774.383,98	4,98%
[500,000.00 - 600,000.00 [	63	1,34%	33.541.741,64	3,35%
[600,000.00 - 700,000.00 [	35	0,75%	22.058.584,42	2,21%
[700,000.00 - 800,000.00 [	15	0,32%	11.343.937,96	1,13%
[800,000.00 - 900,000.00 [	3	0,06%	2.522.550,29	0,25%
[900,000.00 - 1,000,000.00 [	3	0,06%	2.804.000,00	0,28%
Total	4.694	100,00%	1.000.000.024,93	100,00%

Minimum Outstanding loan amount net of savings (EUR)	28.859,28
Maximum Outstanding loan amount net of savings (EUR)	960.000,00
Average Outstanding loan amount net of savings (EUR)	219.672,86

TABLE 4: Origination year

Origination year	Number of Loan Parts	Percentage of Loan Parts	Aggregate Outstanding Principal Balance	Percentage of Aggregate Outstanding Principal Balance
2005	43	0,48%	4.183.641,88	0,42%
2006	434	4,87%	57.941.617,40	5,79%
2007	962	10,79%	131.482.154,74	13,15%
2008	772	8,66%	109.802.568,72	10,98%
2009	452	5,07%	49.755.810,15	4,98%
2010	3.717	41,68%	389.549.325,57	38,95%
2011	2.382	26,71%	242.238.015,76	24,22%
2012	88	0,99%	8.234.953,68	0,82%
2013	67	0,75%	6.811.937,03	0,68%
Total	8.917	100,00%	1.000.000.024,93	100,00%

TABLE 5: Legal maturity

Legal maturity	Number of Loan Parts	Percentage of Loan Parts	Aggregate Outstanding Principal Balance	Percentage of Aggregate Outstanding Principal Balance
2026	1	0,01%	57.054,04	0,01%
2027	51	0,57%	3.454.165,26	0,35%
2028	78	0,87%	5.018.568,98	0,50%
2029	78	0,87%	5.745.353,39	0,57%
2030	248	2,78%	20.206.014,12	2,02%
2031	336	3,77%	29.873.614,65	2,99%
2032	152	1,70%	15.442.186,21	1,54%
2033	160	1,79%	15.878.192,85	1,59%
2034	218	2,44%	21.959.909,69	2,20%
2035	291	3,26%	29.621.954,50	2,96%
2036	495	5,55%	63.530.520,18	6,35%
2037	961	10,78%	131.880.778,61	13,19%
2038	715	8,02%	106.218.966,49	10,62%
2039	397	4,45%	44.745.733,15	4,47%
2040	2.980	33,42%	321.251.880,54	32,13%
2041	1.747	19,59%	184.666.821,26	18,47%
2042	9	0,10%	448.311,01	0,04%
Total	8.917	100,00%	1.000.000.024,93	100,00%

TABLE 6: Reset year

Reset year	Number of Loan Parts	Percentage of Loan Parts	Aggregate Outstanding Principal Balance	Percentage of Aggregate Outstanding Principal Balance
2019	177	1,98%	21.355.850,47	2,14%
2020	555	6,22%	60.523.598,92	6,05%
2021	637	7,14%	76.659.205,19	7,67%
2022	81	0,91%	9.549.218,48	0,95%
2023	55	0,62%	7.447.501,65	0,74%
2024	42	0,47%	3.644.257,42	0,36%
2025	314	3,52%	27.798.659,32	2,78%
2026	209	2,34%	19.629.699,87	1,96%
2027	1.023	11,47%	138.784.330,08	13,88%
2028	652	7,31%	93.065.981,08	9,31%
2029	361	4,05%	37.431.442,04	3,74%
2030	3.165	35,49%	322.170.584,74	32,22%
2031	1.344	15,07%	139.322.884,33	13,93%
2032	2	0,02%	173.744,35	0,02%
2034	1	0,01%	168,07	0,00%
2038	1	0,01%	136.785,50	0,01%
2039	18	0,20%	2.381.707,66	0,24%
2040	235	2,64%	33.439.694,71	3,34%
2041	45	0,50%	6.484.711,05	0,65%
Total	8.917	100,00%	1.000.000.024,93	100,00%

TABLE 7: Original Loan to Original Foreclosure Value

Original Loan to Original Foreclosure Value (%)	Number of Whole Loans	Percentage of Whole Loans	Aggregate Outstanding Principal Balance	Percentage of Aggregate Outstanding Principal Balance
[0.00% - 60.00% [	715	15,23%	90.203.346,45	9,02%
[60.00% - 65.00% [	105	2,24%	17.029.674,82	1,70%
[65.00% - 70.00% [	170	3,62%	31.387.553,87	3,14%
[70.00% - 75.00% [	304	6,48%	62.412.551,67	6,24%
[75.00% - 80.00% [	181	3,86%	33.891.519,88	3,39%

[80.00% - 85.00% [	151	3,22%	31.212.353,22	3,12%
[85.00% - 90.00% [	228	4,86%	52.981.940,01	5,30%
[90.00% - 95.00% [	216	4,60%	46.506.194,97	4,65%
[95.00% - 100.00% [	341	7,26%	88.234.943,56	8,82%
[100.00% - 105.00% [	339	7,22%	80.690.205,61	8,07%
[105.00% - 110.00% [	258	5,50%	59.799.241,66	5,98%
[110.00% - 115.00% [	333	7,09%	82.233.872,15	8,22%
[115.00% - 120.00% [	374	7,97%	89.405.233,74	8,94%
[120.00% - 125.00% [	979	20,86%	234.011.393,32	23,40%
Total	4.694	100,00%	1.000.000.024,93	100,00%

Minimum Original Loan to Original Foreclosure Value (%)	15,05%
Maximum Original Loan to Original Foreclosure Value (%)	124,99%
Weighted Average Original Loan to Original Foreclosure Value (%)	97,87%

TABLE 8: Original Loan to Original Market Value

Original Loan to Original Market Value (%)	Number of Whole Loans	Percentage of Whole Loans	Aggregate Outstanding Principal Balance	Percentage of Aggregate Outstanding Principal Balance
[0.00% - 60.00% [	897	19,11%	121.182.113,25	12,12%
[60.00% - 65.00% [	243	5,18%	42.926.371,20	4,29%
[65.00% - 70.00% [	258	5,50%	52.568.649,42	5,26%
[70.00% - 75.00% [	190	4,05%	38.690.738,06	3,87%
[75.00% - 80.00% [	231	4,92%	50.663.886,07	5,07%
[80.00% - 85.00% [	283	6,03%	61.912.319,00	6,19%
[85.00% - 90.00% [	343	7,31%	86.691.562,99	8,67%

[90.00% - 95.00% [	277	5,90%	67.282.363,10	6,73%
[95.00% - 100.00% [	353	7,52%	87.072.414,16	8,71%
[100.00% - 105.00% [	538	11,46%	130.204.843,09	13,02%
[105.00% - 110.00% [	819	17,45%	196.748.997,66	19,67%
[110.00% - 115.00% [	260	5,54%	63.368.200,28	6,34%
[115.00% - 120.00% [	1	0,02%	364.287,00	0,04%
[120.00% - 125.00% [	1	0,02%	323.279,65	0,03%
Total	4.694	100,00%	1.000.000.024,93	100,00%

Minimum Original Loan to Original Market Value (%)	6,19%
Maximum Original Loan to Original Market Value (%)	120,23%
Weighted Average Original Loan to Original Market Value (%)	87,77%

TABLE 9: Loan part coupon (interest rate bucket)

Loan part coupon (interest rate bucket) (%)	Number of Loan Parts	Percentage of Loan Parts	Aggregate Outstanding Principal Balance	Percentage of Aggregate Outstanding Principal Balance
[3.00% - 4.00% [	32	0,36%	4.289.148,67	0,43%
[4.00% - 5.00% [	5.838	65,47%	646.049.688,66	64,60%
[5.00% - 6.00% [	3.003	33,68%	346.623.119,35	34,66%
[6.00% - 7.00% [	44	0,49%	3.038.068,25	0,30%
Total	8.917	100,00%	1.000.000.024,93	100,00%

Minimum Loan Part Coupon (%)	3,25%
Maximum Loan Part Coupon (%)	6,55%
Weighted Loan Part Coupon (%)	4,83%

TABLE 10: Property description

Property Description	Number of Whole Loans	Percentage of Whole Loans	Aggregate Outstanding Principal Balance	Percentage of Aggregate Outstanding Principal Balance
Farmhouse	6	0,13%	2.582.064,71	0,26%
Flat/apartment	496	10,57%	85.362.700,76	8,54%
Flat/apartment with garage	17	0,36%	3.216.060,66	0,32%
MVE/MGE property	9	0,19%	1.426.407,51	0,14%
Single family dwelling	3.739	79,65%	797.486.364,20	79,75%
Single family dwelling with garage	427	9,10%	109.926.427,09	10,99%
Total	4.694	100,00%	1.000.000.024,93	100,00%

TABLE 11: Geographical distribution (by province)

Geographical distribution (by province)	Number of Whole Loans	Percentage of Whole Loans	Aggregate Outstanding Principal Balance	Percentage of Aggregate Outstanding Principal Balance
Drenthe	160	3,41%	29.305.360,78	2,93%
Flevoland	92	1,96%	18.588.638,30	1,86%
Friesland	109	2,32%	20.484.682,55	2,05%
Gelderland	596	12,70%	125.356.247,28	12,54%
Groningen	93	1,98%	15.909.834,94	1,59%
Limburg	354	7,54%	65.188.667,55	6,52%
Noord-Brabant	819	17,45%	173.235.236,30	17,32%
Noord-Holland	754	16,06%	175.730.304,15	17,57%
Overijssel	323	6,88%	63.065.978,35	6,31%
Utrecht	350	7,46%	84.465.396,31	8,45%
Zeeland	111	2,36%	21.320.225,68	2,13%
Zuid-Holland	933	19,88%	207.349.452,74	20,73%
Total	4.694	100,00%	1.000.000.024,93	100,00%

TABLE 12: Loan to income

Loan to Income	Number of Whole Loans	Percentage of Whole Loans	Aggregate Outstanding Principal Balance	Percentage of Aggregate Outstanding Principal Balance
[0.00 - 1.00 [	20	0,43%	1.797.656,19	0,18%
[1.00 - 2.00 [	248	5,28%	27.008.114,83	2,70%
[2.00 - 3.00 [	728	15,51%	112.254.826,32	11,23%
[3.00 - 4.00 [	1.406	29,95%	290.914.361,87	29,09%
[4.00 - 5.00 [	1.686	35,92%	382.028.746,16	38,20%
[5.00 - 6.00 [	516	10,99%	148.712.386,30	14,87%
[6.00 - 7.00 [	85	1,81%	35.656.733,71	3,57%
[7.00 - 8.00 [	5	0,11%	1.627.199,55	0,16%
Total	4.694	100,00%	1.000.000.024,93	100,00%

Minimum LTI	0,55
Maximum LTI	7,47
Weighted Average LTI	4,13

TABLE 13: Guarantee type (NHG/Non NHG)

Guarantee	Number of Loan Parts	Percentage of Loan Parts	Aggregate Outstanding Principal Balance	Percentage of Aggregate Outstanding Principal Balance
Non-NHG	3.750	42,05%	504.288.098,00	50,43%
NHG	5.167	57,95%	495.711.926,93	49,57%
Total	8.917	100,00%	1.000.000.024,93	100,00%

TABLE 14: Servicer

Servicer	Number of Loan Parts	Percentage of Loan Parts	Aggregate Outstanding Principal Balance	Percentage of Aggregate Outstanding Principal Balance
Stater	8.917	100,00%	1.000.000.024,93	100,00%
Total	8.917	100,00%	1.000.000.024,93	100,00%

6.2 Description of Mortgage Loans

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

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

Mortgage types

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

(a) Linear Mortgage Loans (*lineaire hypotheken*);

(b) Interest-only Mortgage Loans (*aflossingsvrije hypotheken*);

(c) Annuity Mortgage Loans (*annuïteitenhypotheken*);

(d) Life Mortgage Loans (*universal life/levenhypotheken*);

(e) Investment Mortgage Loans (*beleggingshypotheken)*;

(f) Savings Mortgage Loans (*spaarhypotheken*); or

(g) Hybrid Mortgage Loans (*hybride hypotheken*).

Each Mortgage Loan shall have the benefit of a Risk Insurance Policy taken out by the Borrower with an Insurance Company in the event and to the extent the relevant Mortgage Loan exceeds 75 or 100 per cent. (the applicable percentage depends on the type of Mortgage Loan and/or the date of origination) of the Foreclosure Value of the relevant Mortgaged Asset. NHG Mortgage Loan Parts will have the benefit of a Risk Insurance Policy in the event and to the extent the relevant Mortgage Loan exceeds 80 per cent. of the Market Value of the Mortgaged Asset. In the case of Mortgage Loans including a Life Mortgage Loan, Savings Mortgage Loan or a Hybrid Mortgage Loan such Risk Insurance Policy may be included in the relevant Life Insurance Policy, Savings Insurance Policy or Savings Investment Insurance Policy.

Linear Mortgage Loans

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

Interest-only Mortgage Loans

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

Annuity Mortgage Loans

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

Life Mortgage Loans

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

Investment Mortgage Loans

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

Savings Mortgage Loans

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

Hybrid Mortgage Loans

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

6.3 Origination and servicing by Originator

Origination process of BNP Paribas Personal Finance

This section gives an overview of the entire origination process for loans with a guarantee of Stichting WEW as well as loans without such a guarantee, starting from the distribution of the loans through intermediaries until the mortgage loan becomes active. Furthermore, it provides insight into the division of tasks between the intermediaries and BNP Paribas Personal Finance in the origination process and the supporting role of Stater Nederland B.V. and Novalink B.V. and their mortgage information system in the origination and arrears management process.

Independent intermediaries

BNP Paribas Personal Finance distributes its mortgage loans exclusively through independent, professional (Dutch) mortgage advisors varying from franchise organisations, master brokers to so-called institutionals (i.e. banks or insurance companies).

Within BNP Paribas Personal Finance, the Sales and Marketing department is responsible for the selection of and the relationship with the intermediaries. All selected intermediaries have to be licensed according to the Wft.

Stater Nederland B.V.

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

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

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

Stater provides activities consisting of mortgage payment transactions and ancillary activities with regard to a total of more than EUR 166 billion and approximately 950,000 mortgage loans. In the Netherlands, Stater has a market share of about 30 per cent.

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

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

In November 2011, Fitch affirmed Stater residential “primary servicer” rating at ‘RPS1-NL’. Ratings are awarded on a scale from 1 to 5, with 1 being the highest possible ranking. The rating Stater received for its role as “primary servicer” made Stater the top scoring service provider in Europe.

Ernst & Young, the company’s external auditors, completes every year an ISAE 2402 audit on Stater NL (the first audit was executed in 2007). ISAE 3402 is a report for the certification of the internal control processes of service organizations. Stater received ISAE 3402 Type II certification soon after the first audit in 2007. The certification is renewed annually.

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

Novalink B.V.

Novalink B.V. (Novalink) is specialized in collections and arrears management activities for owners of residential mortgage portfolios.

Founded in 2008 and started its operational business in 2009, Novalink has developed and introduced an improved set of processes to the mortgage market. Novalink supports banks and financial institutions in managing their credit risk by reaching solutions with their clients with payment difficulties.

Communication is the key element in the philosophy of Novalink. By putting high emphasis on contacting activities, creating awareness, and by learning and analysing the borrowers’ situation, the start is made of solving the arrear problem.

In an era of increased demands on managing credit risk and responsible lending, the dedicated arrears management processes of Novalink bring added value by preventing and minimizing credit loss events.

The processes of Novalink cover the full arrears cycle from day 1 arrears reminding activities, through collections, litigation processes, managing the forced sale procedures and collecting residual claims. Novalink also undertakes activities to manage pre-arrears with potential problematic cases and covering all mortgage related claims (e.g. pledged insurance policies).

Novalink's processes are supported by a specialized collection system. The interfaces with the banks' source systems enable a timely and continuous flow of data, updating the Novalink system on a daily basis. The system is highly supportive in configuring the required actions in the arrears management cycle including automated tasks and prioritization schemes.

Novalink's management and employees have extensive experience in collections and special servicing of mortgages.

Novalink B.V. is a privately held company. The shares of the company are 100% owned by the management.

Novalink is located at Spaceshuttle 22 in Amersfoort, the Netherlands.

BNP Paribas Personal Finance, Stater and Novalink

In order to support its mortgage origination and servicing process, BNP Paribas Personal Finance has entered into servicing agreements with Stater and Novalink. BNP Paribas Personal Finance is responsible for marketing and sales support. The advisory role lies with the intermediary while client retention contacts fall within the activities and responsibilities of Stater. The entire mortgage quote and acceptance process is under the control of BNP Paribas Personal Finance; in some cases the whole process, or part thereof, is outsourced to the institutional or the master broker. The lending and servicing process is in the hands of BNP Paribas Personal Finance BV, with the exception of collection of regular payments of interest and/or principal under mortgage loans.

This collection of payments falls within the services rendered by Stater who is authorised to use the account of BNP Paribas Personal Finance for these collection activities. Stater is also responsible for giving the civil law notary instructions and settling outgoing payments including arranging that the mortgage deed for the loan being extended is drawn up in the name of and for the account and risk of BNP Paribas Personal Finance. BNP Paribas Personal Finance is responsible for query handling.

The arrears management process is being handled by Novalink.

Stater and Novalink also periodically provide information on the rendered services.

Mortgage offering process

The intermediary initiates the mortgage loan quote process after a client has opted for BNP Paribas Personal Finance as lender. The intermediary has all consumer brochures on the BNP Paribas Personal Finance products as well as an extensive manual outlining BNP Paribas Personal Finance BV's underwriting criteria, conditions and application. The intermediary enters the loan application (or change) data and passes this on to BNP Paribas Personal Finance BV, the master broker or the institutional either electronically via Hypotheken Data Network (HDN) or fax.

At present, approximately 95 per cent. of applications are via HDN. All applications submitted are in principle processed within three (3) business days. An employee of BNP Paribas Personal Finance BV, the master broker or the institutional responsible for handling applications ensures that the data received by traditional mail or by fax is entered into the MidOffice system of Stater, called "ESTATE".

Applications received by HDN are automatically entered into the systems (based on the product). In most cases both systems performs acceptance checks automatically on the basis of the underwriting criteria of BNP Paribas Personal Finance BV, the criteria of Stichting WEW, if applicable, and the general criteria and conditions of mortgage loans. Credit history and fraud checks via the register of Stichting Fraudebestrijding Hypotheken (SHS) (Foundation Anti Fraud Mortgages) are automatically performed to find out whether the applicant has (had) any current or recent credit payment problems or was involved in a fraud case.

If the MidOffice system gives a 'stop' advice (i.e. if one of the underwriting criteria is not satisfied) the application will be individually assessed by an underwriting specialist (Senior Credit Acceptant) of BNP Paribas Personal Finance (master brokers and institutionals will in this case forward the file to BNP Paribas Personal Finance BV). It is up to this specialist to assess whether the failure to satisfy all the underwriting criteria is material and whether the loan entails an increased risk, and if so, whether this risk is acceptable. If the specialist decides to overrule the system, with or without demanding any

additional requirements for the loan application, he must provide a written explanation for doing so and store that explanation in the system. These overrules are evaluated by risk management. If the non-fulfilment of the underwriting criteria is considered to be more than marginal but the underwriting specialist considers the risk acceptable, he/she will submit a proposal to the Risk Manager who will deal with the proposal. In the case of an application of a loan part with an application for an NHG Guarantee, a 'stop' advice resulting from the fact that one or more criteria of Stichting WEW are not met, cannot be overruled. In the case of an approval BNP Paribas Personal Finance will send a proposal for the mortgage loan and the applicable conditions to the client via the intermediary. This proposal is valid for two weeks. The client has to accept, sign and return the proposal to BNP Paribas Personal Finance BV, the master broker or the institutional within this timeframe. Upon acceptance, the proposal is valid for a period of two to four months (depending on the product type, calculated from the date of sending of the proposal) and granting the loan is still subject to the receipt of all required documents and final acceptance. An extension of the validity of the proposal up to a maximum of nine months is possible (depending on the product type).

All relevant documents received by BNP Paribas Personal Finance are scanned by Stater into its digital archives after final approval. A notification is sent to the intermediary in order to inform the applicant that the loan will be granted. As soon as this is done, all relevant data are recorded in the BackOffice system of Stater, after which Stater will inform the civil law notary. Subsequently the civil law notary confirms (by fax or by internet) the transfer date to BNP Paribas Personal Finance BV. Entering this date into the MidOffice system alerts Stater that it should transfer the amount of the mortgage loan by debiting the account of BNP Paribas Personal Finance to a separate account of the civil law notary. This so-called third party account is used temporarily until the legal transfer of the collateral has been executed. After the transaction is finalised, the civil law notary will send all relevant documents (such as the mortgage deed) to BNP Paribas Personal Finance BV. Stater scans the documents into the electronic file. After completion of this filing, Stater will enter the mortgage loan into their administration system. From this moment onwards the status of the mortgage loan is 'active'. As soon as a mortgage loan with an NHG Guarantee is active, Stichting WEW is informed of the new mortgage loan.

Underwriting criteria

For mortgage loans which have the benefit of an NHG Guarantee the criteria of Stichting WEW are applicable. Both these criteria and the underwriting criteria of BNP Paribas Personal Finance are incorporated in iSHS. As soon as Stichting WEW or BNP Paribas Personal Finance changes the criteria Stater is ordered to update the underwriting criteria in iSHS. The most important criteria in relation to the borrower, the collateral and the loan terms and conditions are explained below.

In order to qualify for an NHG Guarantee the underwriting criteria must comply with all requirements set by Stichting WEW. This therefore means that the criteria described below only apply in respect of the NHG Mortgage Loan Part to the extent permitted under Stichting WEW and to the extent no other requirement set by Stichting WEW applies (see for more information section 6.5 (*NHG Guarantee programme*)).

The underwriting criteria as described herein are as they are applicable at this time and do not relate to any changes that may have taken place in the past, or may take place in the future.

The Collateral

The collateral must in all cases meet the following requirements:

- it is located within the Netherlands;
- it is intended and suitable for permanent occupation by the borrower (no buy-to-let);
- it must be used as a domestic residence; and
- the applicant must hold all of the rights in respect of the property on or before the date on which the mortgage deed is executed (i.e. the applicant must have acquired legal and economic ownership, there must be no social obligations, and no clause or other restrictions that can be linked to the property).

Borrower

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

The income must be of a continuous nature (gross wage or salary, 13th month and holiday allowance, other structural emoluments). Income from self-employment cannot be taken into account for loans without NHG. Nevertheless, in case the co-applicant has income from self-employment, annual statements from the last three years must be provided.

The loan amount is calculated on the basis of the so-called 'income ratio', which is the percentage of (gross) annual income available for mortgage loan expenses. The income ratio is established every year by Stichting WEW and is applicable for all mortgage loans, including non-NHG mortgage loans. Taking the relevant mortgage interest rate (for interest fixation periods < 10 years a minimum interest rate is applicable) and the relevant income into account, this is then converted into the maximum loan amount. For 2013 the ratio, applicable for borrowers below the pension age, ranged from 18.5 per cent. for the lowest income category (<EUR 18,500) to 40.0 per cent. for the highest income category (>EUR 110,000). In the case of double-income households, the income of both partners can be counted in full but the applicable ratio is limited to the ratio for the highest income.

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

Mortgage Loan amount

The minimum principal sums of the mortgage loan (which may consist of different parts) are:

- Initial mortgage loan: EUR 70,000 or EUR 30,000 (depending on underwriting criteria)
- Further advances: no minimum

The maximum loan amount is EUR 750,000. Above this amount, the upfront approval of the management and the Risk Manager is needed.

The mortgage loan may not exceed 125 per cent. of the forced sale value of the property pledged as security. In case of refinancing or equity release the mortgage loan may not exceed 115 per cent. of the forced sale value. The mortgage loan may not exceed 105 per cent. of the forced sale value of a newly built property that is pledged as security.

The interest-only part of the mortgage may not exceed 75 per cent. of the property's forced sale value.

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

In respect of the mortgage loans which have an NHG Guarantee, the maximum loan amount is equal to the sum of the purchase price plus several costs but never more than a maximum established by Stichting WEW year on year (2012: EUR 320,000).

Documents to be provided by the borrower

Valuation Report

The borrower needs to provide BNP Paribas Personal Finance with an original valuation report which must not be older than 6 months (in some specific cases, 12 months can be allowed). The valuation must be done by a certified appraiser, who is not in any way involved in the sale of the property or the financing of the mortgage loan and who should be a member of one of the following associations:

- Netherlands Association of Real Estate Brokers and Immovable Property Experts (*Nederlandse Vereniging van Makelaars* (NVM))
- VastgoedPRO
- The Netherlands Association of Registered Property Appraisers (*Nederlands Vereniging van Beedigde Taxateurs van Onroerende Zaken (VBO)*)

The valuation report itself must be in a standardised format. In respect of mortgage loans, other than mortgage loans with an NHG Guarantee, the absence of a recent valuation report is only permitted in the case of a mortgage loan:

(a) on a newly built property;

(b) on an existing property, if the loan amount does not exceed 60 per cent. of the foreclosure value or, depending on the product, 90 per cent. of the foreclosure value.

Under (a), a valuation is always required if the cost of additional work exceeds 15 per cent. of the purchase price, in which case the forced sale value is either the calculated forced sale value or the forced sale value based on the valuation of the property, whichever is lower.

With regard to (b), a valuation report is not required if the sum of the first and any additional loans does not exceed 60 per cent. or, depending on the product type, 90 per cent. of the value used for the purposes of the Valuation of Immovable Property Act (the so-called WOZ value). The WOZ value may be increased with the addition of statutory mark-ups. A new WOZ value is determined every year and the WOZ value must not have been established more than fifteen months previously and the relevant documents must be presented. For the purposes of credit rating the WOZ value is the same as the forced sale value. Photographs that show the whole of the front of the property (including front door, house number and location), the back, the surrounding and all rooms must be submitted.

Other Documents

In addition to the income data and the valuation report as described above, the applicant shall provide BNP Paribas Personal Finance with a copy of the signed sale contract or the combined purchase agreement and building contract.

Collection and servicing processes of BNP Paribas Personal Finance

Computer systems

The BackOffice system of Stater called iSHS is the key computer systems in the portfolio servicing activities of BNP Paribas Personal Finance.

Mortgage Information system: MidOffice system of Stater, called Estate, BackOffice system of Stater called iSHS

By means of its automated mortgage information systems, Stater offers services in relation to the assessment of applications for mortgage loans, including applications for mortgage loans with an NHG Guarantee, initiating the drafting of agreements and other documents required for the execution of mortgage loans, the payment and handling of mortgage loans and/or savings insurances and the

collection of whatever is owed on account of mortgage loans and/or the insurances linked to these loans. All underwriting criteria and standards specified by BNP Paribas Personal Finance as well as the criteria of Stichting WEW regarding mortgage loans with an NHG Guarantee are entered into Estate, iSHS and QSP. The systems are designed in such a way that it can automatically carry out eligibility checks with regard to the loan application after all relevant data are entered. If the loan application is in accordance with all underwriting criteria and all specific requirements are met, the systems will automatically process a mortgage rate proposal. If the loan application fails one (or more) of the criteria, the systems will produce a 'warning' by interrupting the process (a so-called 'stop').

Back-up facilities and security:

BNP Paribas Personal Finance has subscribed to the general ESCROW agreements that Stater has concluded with an ESCROW agent. Under this agreement, the source codes of the servicing company can continue to be used in the event that it goes bankrupt or cease to exist for some other reason. In addition, Stater will arrange for on-line, immediate back-ups of applications and data. If any data and/or applications of BNP Paribas Personal Finance are destroyed or are rendered unusable, Stater will restore these data and/or applications. The information systems of Stater are updated and upgraded regularly resulting in six new releases every year. Changes in relevant legislation are, when necessary, incorporated in the systems.

Cash flows and bank accounts

BNP Paribas Personal Finance BV's mortgage activities cause certain cash flows between BNP Paribas Personal Finance BV, Stater and other involved parties, such as the civil law notary, the borrowers, the insurance companies and the intermediaries. BNP Paribas Personal Finance provides the funding for the mortgage loans. For this purpose BNP Paribas Personal Finance deposits funds in a bank account. The same account is used as a collection account in which amounts related to interest, prepayments, instalments or principal are paid.

BNP Paribas Personal Finance has authorised Stater to manage the account and to execute the relevant payments on its behalf. Stater is not responsible for the collection of insurance premiums in relation to the mortgage loans originated by BNP Paribas Personal Finance, if applicable. The borrower pays these premiums directly to the insurance companies.

BNP Paribas Personal Finance uses a bank account for all cash flows which are not related to principal and interest; e.g. payments of the monthly fees to Stater are paid from this account.

BNP Paribas Personal Finance B.V. and Novalink

In order to support its mortgage arrears and default management processes, BNP Paribas Personal Finance has entered into a servicing agreement with Novalink. Based on this agreement, Novalink is authorised to make arrangements with borrowers for catching up arrears, contracting third parties like appraisers and bailiffs, and managing the forced sale processes. Novalink acts on working agreements predefined by BNP Paribas Personal Finance, the code of conduct and requirements set forth by BKR. Mortgage loans with an NHG Guarantee are managed according to the relevant rules of Stichting WEW.

Certain actions or arrangements must be submitted to the Risk Manager.

BNP Paribas Personal Finance evaluates the credit management experiences and the findings are reported to the underwriting specialists and management. The experiences are used to improve the acceptance policy and the acceptance process.

Arrears management process

Start of the arrear process and direct debit

Novalink receives on a daily and automated basis updates of contract details and financial records. Novalink identifies mortgage loans getting into arrear. Usually arrears arise by failure of a direct debit. All mortgage loans are set-up at origination with an authorization for a direct debiting of the amounts due. The direct debit takes place on the second last working day of the month. Depending on the borrower's bank, *storno's* (failures of direct debits) are mostly received at the same day till about 6 working days later, but this could take more time (SEPA). If payments are not received at the due date or storno's are received, the mortgage loan gets into arrear.

Actions and timelines

If the loan gets into arrear, a reminder letter is sent to the borrower at the same day. A different letter is sent in case the borrower has been in arrear before. If the loan is still in arrear after nine (9) calendar days, outbound calls are made to the borrower. If no contact could be arranged, twelve (12) calendar days after the start of the arrear a dunning letter is sent out to the borrower. After the dunning letter is sent, a more intense research is being executed and further contacting options are being explored (incl. contacting at work, neighbours, intermediary, etc.). If still no contact is possible after twenty (20) calendar days since the start of the arrear, a default letter is sent. At this stage, databases form the Trade Register and Kadaster are being searched. A collection letter, including the charging of collection fees, is sent at day 24. A house visit is being announced at day 27.

Contacting actions and house visit

Novalink puts much emphasis on getting into contact with the borrower(s). The objective is to be in contact in an early stage. When contact is made, typically a payment settlement (promise to pay or payment arrangement) is agreed. In case the conversation with the borrower indicates more serious problems are present, further questioning takes place to obtain better insight in the (financial) situation of the borrower. The goal here is to work out an adequate solution.

A house visit is scheduled in case the problems seem more complex and/or structural or in case no contact could be achieved at all. The house visit results in a better observation of the situation and therefore leads to a better insight in the possible solution and it results faster in a better indication of next steps. The findings are summarised in a report that is submitted to BNP Paribas Personal Finance and it includes an advice for next steps.

Enforcement actions

Usually the actions taken do result in co-operation of the borrower. If not, enforcement actions will be started. In case there is an indication that the borrower has income, a bailiff is instructed to arrange an attachment on income elements. In case this does not provide the required level of payments, a forced sale will be advised to BNP Paribas Personal Finance BV.

Forced sale process

Novalink submits a request to BNP Paribas Personal Finance to start a forced sale procedure in case the arrears continue to rise and no structural improvement is foreseen. This request is in normal circumstances not made for arrears less than the equivalent of two monthly instalments. After approval, the standard process is to arrange a power of attorney for a private sale with the borrower(s). An appraisal report is requested to determine the minimum (foreclosure value) and expected (free market value) price level. After the power of attorney has been signed at a civil law notary, a real estate agent is contracted to execute the marketing of the property. Bids are being forwarded to BNP Paribas Personal Finance for final approval.

In case the borrower does not co-operate in a private sale, a civil law notary is instructed to start foreclosure proceedings after the loan has been called. The mortgaged property will then be sold in a public auction within approximately ninety (90) calendar days after the notary is instructed. In case feasible, requests to the court are made to have tenants or owners evicted and obtain management of the property (*huur-, ontruimings, en beheerbeding*) before the auction date. In this way the property will be marketed by a real estate agent with the aim to achieve a price level close to the free market value and to avoid the lower foreclosure outcome at an auction.

Management of deficits after foreclosure

When all the collateral has been executed, it is established whether there is still any remaining outstanding debt. Novalink notifies the borrower of the outstanding debt, as he will remain liable for the repayment of this amount. Unless the borrower pays or makes arrangements with BNP Paribas Personal Finance to pay the deficit, Novalink will ask a bailiff or a firm specialized in collecting this kind of debt to use all his efforts and all the legal means at his disposal to get as much as possible of the deficit paid back by or on behalf of the borrower.

6.4 Dutch residential mortgage market[2]

Compared to other mortgage markets in Europe, the Dutch residential mortgage market is typified by a range of mortgage loan products3 and a high degree of competition between mortgage lenders. 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

[2] *Source: Kadaster.*
[3] Due to new regulation households who opt for a new mortgage loan are since January 2013 restricted in their choice if they want to make use of tax deductibility. See paragraph “Recent changes in regulation” below

sense that they are not allowed to be a price leader. The Dutch competition authority concluded in 2011 that this was not the case.[4] Due to new complaints by consumer organisations, and the argument that the approach chosen in the research was not sufficient, a new evaluation is currently conducted. Historic practices, culture and most importantly tax legislation (especially those pertaining to the deductibility of mortgage interest) have also 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).[5] Dutch mortgage borrowers are therefore relatively well-insulated against interest rate fluctuations.[6]

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)[7]. 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.[8]

Tax deductibility and regulation

The mortgage loan products that were and still are 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 who want to redeem their mortgage loan 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.

[4] NMA, Sectorstudie Hypotheekmarkt, 30 May 2011
[5] Dutch Central Bank, statistiek, statistieken DNB, financiële markten, rentes, T1.2.2 (31 October 2012)
[6] Maarten van der Molen en Hans Stegeman, 2011, De ongekende stabiliteit van de Nederlandse woningmarkt, 7 May 2011
[7] Dutch Central Bank, statistiek, statistieken DNB, huishoudens T11.1 (31 October 2012)
[8] Boonstra and Treur (2012) "Reactie op: Hollands hoge hypotheekrentes" ESB, 12 October 2012

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 profit on the old house.

Since 1 August 2011, the requirements for mortgage lending have been tightened by the 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.[9] 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.[10]

Recent changes in regulation

Mortgage loans taken out for houses purchased after 1 January 2013 have to be repaid in full in 30 years and at least on an annuity basis in order to be eligible for mortgage interest relief (the linear option is also possible). Household with a pre-1 January 2013 mortgage loan that purchase a house after 1 January 2013 are permitted to keep the existing (more favourable) mortgage loan after it has moved to another house (while keeping the favourable tax relief). However, any such mortgage loan will again be tested against the Code of Conduct for Mortgage Lending (GHF), with the most important condition being that no more than 50% of the mortgage loan may be repaid on an interest-only basis. Finally, an increasing rate of deemed income a property generates (huurwaardeforfait) implies a reducing net tax benefit as a result of interest deductions.

The coalition agreement for the new government as presented on 29 October 2012, includes measures pursuant to which, as from 2014, the maximum interest deductibility for mortgage loans for tax purposes will decrease annually at a rate of 0.5 per cent. from the income tax rate of 52 per cent. down to 38 per cent. 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%.[11] In addition, interest paid

[9] 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
[10] M.T. van der Molen, 2012, Aanschaffen woning is makkelijker, January 2012
[11] Rijksoverheid, 2012, Stabiliteitsprogramma Nederland, april 2012 actualisatie

on any outstanding debt from a mortgage loan remaining after the sale of a home can be deducted for up to ten (10) years. This measure will be in place from 2013 up to and including 2023. It is likely that the impact on the house price level will be negative[12], but the extent is uncertain and depends amongst other things on the overall confidence level and the real disposable income development.

In February 2013 the Dutch cabinet came with additional measures for the housing market. Most important feature for the owner-occupied sector is that a second mortgage loan may be used to pay part of the redemption of the annuity mortgage loan. As a consequence, the monthly expenses of the mortgage loan are lower. However, the total costs will increase as after 30-years the mortgage is not fully repaid. There are a few restrictions on the second mortgage: 1) it is not eligible for tax deductibility and 2) it may not exceed 50% of the original market value of the house.

Recent trend in house prices and transactions[13]

The housing market recorded a good fourth quarter in 2012. Prices stabilised and house sales rose considerably. The main reason was that buyers had a strong incentive to sign a provisional sale agreement before 1 January 2013 in order to remain eligible for tax deductibility under the old regime (interest-only repayments of up to 50% of the market value of a house and various options for mortgage loan redemption). The additional demand in the non-rental sector led to a better bargaining position for sellers. Consequently the selling price declined much less rapidly than had been the case in preceding quarters. In the end, prices dropped in the fourth quarter by only 0.7% on a quarterly basis – and 7.0 on a yearly basis (Chart 3). At least as important was the rise in the number of provisional sale agreements and the number of house transfers. On balance, an estimated 33,000 provisional sale agreements were signed, and 35,704 houses changed hands (Chart 4) - 10,000 more than might have been expected on the basis of the number of provisional sale agreements signed in the third quarter.[14]

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.[15] 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.[16]

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

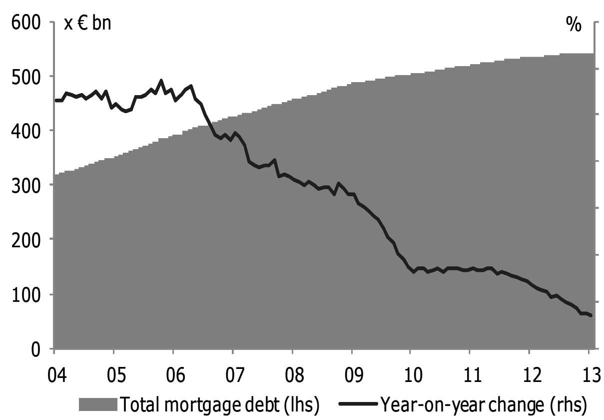
[12] CPB, 2012, Analyse economische effecten financieel kader Regeerakkoord, 29 October 2012
[13] Rabobank Economic Research Department - Dutch Housing Market Quarterly August 2012
[14] Statistics Netherlands, cijfers, cijfers per thema, bouwen en wonen, verkochte woningen (31 October 2012)
[15] Comparision of S&P 90+ day delinquency data,
[16] Kadaster and CBS, cijfers, cijfers per thema, bouwen en wonen, verkochte woningen (31 October 2012)

change in the Dutch mortgage loan market during the nineties: instead of selling single income mortgage loans only, lenders were allowed to issue double income mortgage loans. 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 2,488 forced sales in 2012. In the fourth quarter of 2012 the number of foreclosures amounted to 669, compared to 891 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.[17]

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.

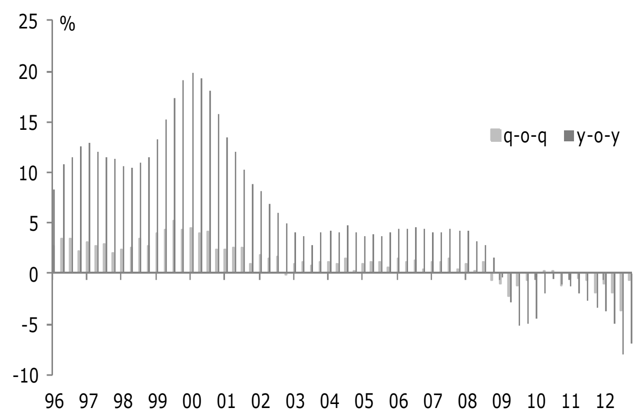
Even though in a relative sense the increase over the last years is substantial, the absolute number of forced[18] sales is obviously still small compared to the total number of residential mortgage loans outstanding. There is no precise data of the number of residential mortgage loans outstanding in the Netherlands. However, based on the published total amount of residential mortgage debt outstanding[19] 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.

Chart 1: Total mortgage debt



Source: Dutch Central Bank

Chart 2: Dutch property price development



Source: Statistics Netherlands

Chart 3: Development house price index

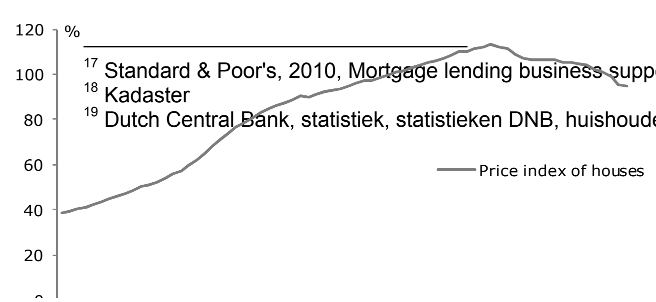
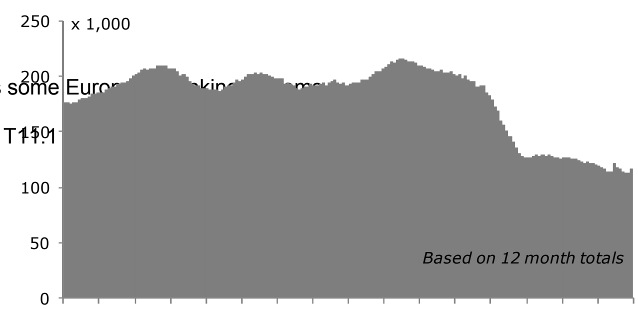


Chart 4: Number of house sale transactions

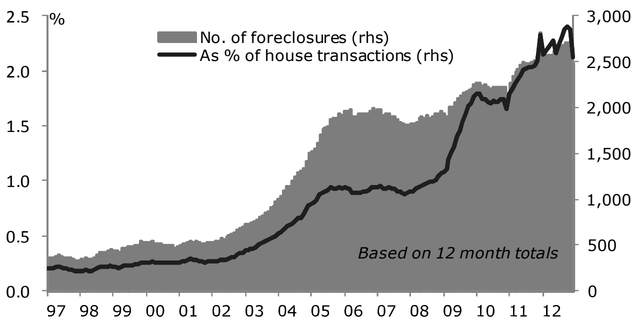


[17] Standard & Poor's, 2010, Mortgage lending business supports some European banking groups
[18] Kadaster
[19] Dutch Central Bank, statistiek, statistieken DNB, huishoudens T11.1

Source: Statistics Netherlands

Source: Statistics Netherlands

Chart 5: Number of foreclosures



Source: Land Registry, Statistics Netherlands

6.5 NHG Guarantee programme

NHG Guarantee

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

Since 1 January 1995 Stichting WEW, a central privatised entity, is responsible for the administration and granting of the NHG Guarantees, under a set of uniform rules. An NHG Guarantee covers the outstanding principal, accrued unpaid interest and disposal costs. Irrespective of scheduled repayments or prepayments made on the mortgage loans, an NHG Guarantee reduces on a monthly basis by an amount which is equal to the amount of the principal portion of the monthly instalment calculated as if the mortgage loan were being repaid on a thirty (30) year annuity basis (as of January 2013, all new mortgage loans should be repaid on a thirty (30) year annuity or linear basis). Information on Stichting WEW and the NHG Guarantee can be found on www.nhg.nl.

Financing of Stichting WEW

Stichting WEW finances itself, *inter alia*, by a one-off charge to the borrower of 0.85 per cent. (as of 1 November 2012) of the principal amount of the mortgage loan. Between 1 January 2010 and 1 January 2012 this percentage was 0.55. Besides this, the NHG scheme provides for liquidity support to Stichting WEW from the Dutch State and, in respect of guarantees issued prior to 1 January 2011, from the participating municipalities. Should Stichting WEW not be able to meet its obligations under guarantees issued, the Dutch State will provide subordinated interest free loans to Stichting WEW of up to fifty (50) per cent. and, only in respect of guarantees issued as from 1 January 2011, hundred (100) per cent. of the difference between Stichting WEW's own funds and a pre-determined average loss level. In respect of guarantees issued prior to 1 January 2011, the municipalities participating in the NHG scheme will provide subordinated interest free loans to Stichting WEW of the other fifty (50) per cent. of the above-mentioned difference. Both the "keep well" agreement (*achtervangovereenkomst*) between the Dutch State and Stichting WEW and the "keep well" agreements between the municipalities and Stichting WEW contain general 'keep well' undertakings of the Dutch State and the municipalities to enable Stichting WEW at all times (including in the event of bankruptcy (*faillissement*), suspension of payments (*surseance van betaling*) or liquidation (*ontbinding*) of Stichting WEW) to meet its obligations under guarantees issued.

The NHG Conditions

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

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

The NHG scheme has specific rules for the level of credit risk that will be accepted. The credit worthiness of the applicant must be verified with the BKR.

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

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

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

An NHG Guarantee could be issued up to a maximum amount of EUR 350,000 (as of 17 September 2009 up to 30 June 2012). As of 1 July 2012, the maximum amount decreased. As a result the maximum amount of a NHG Guarantee for mortgage loans issued as of 1 July 2012 is EUR 320,000.

Claiming under the NHG Guarantees

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

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

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

Woonlastenfaciliteit

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

7 PORTFOLIO DOCUMENTATION

7.1 Purchase, repurchase and sale

Under the Mortgage Receivables Purchase Agreement the Issuer will purchase and accept from the Seller the assignment of the Mortgage Receivables and the Beneficiary Rights relating thereto by means of a registered Deed of Assignment and Pledge as a result of which legal title to the Mortgage Receivables and the Beneficiary Rights relating thereto is transferred to the Issuer. The assignment of the Mortgage Receivables and the Beneficiary Rights relating thereto from the Seller to the Issuer will not be notified to the Borrowers and the relevant Insurance Companies, except in case of an Assignment Notification Event. Until such notification the Borrowers will only be entitled to validly pay (*bevrijdend betalen*) to the Seller. The Issuer will be entitled to all proceeds in respect of the Mortgage Receivables following the Closing Date and to all amounts of principal in respect of the Mortgage Loans, which were received by the Seller as from (and excluding) the Cut-Off Date with respect to the Mortgage Receivables purchased on the Closing Date.

Purchase Price

The purchase price for the Mortgage Receivables will consist of (i) an Initial Purchase Price, which in respect of the Mortgage Receivables purchased on the Closing Date will be equal to EUR 1,031,144,359.91, which shall be payable on the Closing Date and (ii) a Deferred Purchase Price.

The Initial Purchase Price for the Mortgage Receivables purchased on the Closing Date will be paid by the Issuer by applying the (i) net proceeds received from the issue of the Notes (other than the Class E Notes) and (ii) the amounts received as consideration for the Insurance Savings Participations granted to the Insurance Savings Participants.

The Initial Purchase Price for the Mortgage Receivables purchased by the Issuer pursuant to the Mortgage Receivables Purchase Agreement on the Closing Date will be equal to their Outstanding Principal Amount on the Cut-Off Date.

The Deferred Purchase Price for the Mortgage Receivables purchased by the Issuer pursuant to the Mortgage Receivables Purchase Agreement will be equal to the sum of all Deferred Purchase Price Instalments on any Notes Payment Date and each such instalment will be equal to (i) any amount remaining after all payments as set forth in the Revenue Priority of Payments under (a) up to and including (r) have been made on such date and (ii) any amount remaining after all payments as set forth in the Post-Enforcement Priority of Payments under (a) up to and including (q) have been made on such date (see section 5.2 (*Priority of Payments*)).

The proceeds of the Notes (other than the Class E Notes) will be applied by the Issuer to pay part of the Initial Purchase Price (see section 4.5 (*Use of proceeds*)). The sale and purchase of the Mortgage Receivables is conditional upon, *inter alia*, the issue of the Notes. Hence, the Seller can be deemed to have an interest in the issue of the Notes.

Mandatory repurchase

If at any time after the Closing Date any of the representations and warranties relating to the Mortgage Loans and the Mortgage Receivables proves to have been untrue or incorrect, the Seller shall on the immediately following Mortgage Collection Payment Date after it becoming aware thereof, or, if applicable, the date on which any remedy period expires, at the Seller's expense, repurchase and accept assignment of the relevant Mortgage Receivable for a price equal to its Outstanding Principal Amount together with interest and reasonable costs relating thereto (including any costs incurred by the Issuer in effecting and completing such purchase and assignment) accrued up to but excluding the date of repurchase and re-assignment of the relevant Mortgage Receivable.

If the Seller agrees with a Borrower to grant a Further Advance, whether or not under the Mortgage Loans, which is secured by the same Mortgage or, as the case may be, if a Further Advance is granted, by first and sequentially lower ranking Mortgages on the same Mortgaged Asset, the Seller shall repurchase and accept re-assignment of the Mortgage Receivable relating to such Borrower against a purchase price equal to the Outstanding Principal Amount of such Mortgage Receivable together with accrued interest on the immediately following Mortgage Collection Payment Date.

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

Furthermore, the Seller shall on the Mortgage Collection Payment Date immediately following the date on which subject to the terms of a Hybrid Mortgage Loan, a switch by a Borrower of whole or part of the premiums deposited into the Hybrid Savings Fund into an investment in one or more Hybrid Investment Funds becomes effective, repurchase and accept re-assignment of the relevant Mortgage Receivable against a purchase price equal to its Outstanding Principal Amount together with accrued interest.

In addition, the Seller shall on the Mortgage Collection Payment Date immediately following the date on which (i) it appears that a NHG Mortgage Loan Part no longer has the benefit of a NHG Guarantee for the full amount of such NHG Mortgage Loan Part, as adjusted in accordance with the NHG Conditions as a result of an action taken or omitted to be taken by the Seller or the Servicer or (ii) it has notified the Issuer that it, while it is entitled to make a claim under the NHG Guarantee, will not make such claim, repurchase and accept re-assignment of the relevant Mortgage Receivables against a purchase price equal to the outstanding principal amount of such Mortgage Receivables together with accrued interest.

Optional redemption

Under the terms of the Trust Deed, the Issuer will have the right to sell and assign all (but not only part of) the Mortgage Receivables on any Optional Redemption Date to any party, provided that the Seller has a pre-emption right pursuant to which the Issuer shall first offer the Seller to buy and repurchase the Mortgage Receivables and that the Issuer will be entitled to sell and assign the Mortgage Receivables to any third party if the Seller does not inform the Issuer within a period of fifteen (15) Business Days from the date the offer was notified to the Seller of its intention to buy and repurchase the Mortgage Receivables. The Issuer shall be required to apply the proceeds of such sale, to the extent relating to principal, towards redemption of the Notes (other than the Class E Notes). The purchase price to be received by the Issuer in respect of the Mortgage Receivables sold shall be at least equal to an amount sufficient to redeem the Notes (other than the Class E Notes), subject to Condition 9(b) (*Principal*), and subject to and in accordance with the Redemption Priority of Payments, at their Principal Amount Outstanding and to pay any accrued but unpaid interest thereon plus any other items ranking higher than payments of interest under the Notes.

Clean-up Call Option

On each Notes Payment Date, the Seller may, but is not obliged to, repurchase and accept re-assignment of all (but not only part of) the Mortgage Receivables if on the Notes Calculation Date immediately preceding such Notes Payment Date the aggregate Principal Amount Outstanding of the Notes (in case of a Principal Shortfall in respect of any Class of Notes, less such aggregate Principal Shortfall) is not more than ten (10) per cent. of the aggregate Principal Amount Outstanding of the Notes on the Closing Date. The purchase price will be at least equal to an amount sufficient to redeem the Notes (other than the Class E Notes), subject to Condition 9(b) (*Principal*), and subject to and in accordance with the Redemption Priority of Payments, at their Principal Amount Outstanding and to pay any accrued but unpaid interest thereon plus any other items ranking higher than payments of interest under the Notes.

Regulatory Call Option

The Seller has the option to repurchase and accept re-assignment of all (but not only part of) the Mortgage Receivables owned by the Issuer on each Notes Payment Date upon the occurrence of a Regulatory Change. A Regulatory Change applicable to the Seller or BNP Paribas S.A. (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 Seller or BNP Paribas S.A., has the effect of adversely affecting the rate of return on capital of the Seller or BNP Paribas S.A. or increasing the costs or reducing the benefit to the Seller or BNP Paribas S.A. with respect to the transaction contemplated by the Transaction Documents.

The Issuer has undertaken in the Mortgage Receivables Purchase Agreement to sell and assign all (but not only part of) the Mortgage Receivables to the Seller, or any third party appointed by the Seller at its sole discretion, in the case the Seller exercises the Regulatory Call Option. The purchase price will be at least equal to an amount sufficient to redeem the Notes (other than the Class E Notes), subject to Condition 9(b) (*Principal*) and subject to and in accordance with the Redemption Priority of Payments, at their Principal Amount Outstanding and to pay any accrued but unpaid interest thereon plus any other items ranking higher than payments of interest under the Notes. The Issuer has undertaken to apply the proceeds of any such sale towards redemption of the Notes (other than the Class E Notes), subject to and in accordance with the Conditions and the Redemption Priority of Payments at their Principal Amount Outstanding.

Tax Call Option

The Issuer has the right to sell and assign, on any Notes Payment Date following the exercise by it of the Tax Call Option, all (but not only part of) the Mortgage Receivables owned by it to any party, provided that the Seller has a pre-emption right pursuant to which the Issuer shall first offer the Seller to buy and repurchase the Mortgage Receivables and that the Issuer will be entitled to sell and assign the Mortgage Receivables to any third party if the Seller does not inform the Issuer within a period of fifteen (15) Business Days from the date of the offer was notified to the Seller of its intention to buy and repurchase the Mortgage Receivables. The Issuer shall be required to apply the proceeds of such sale towards redemption of the Notes (other than the Class E Notes), in accordance with and subject to the Conditions and the Redemption Priority of Payments.

The purchase price to be received by the Issuer in respect of the Mortgage Receivables sold shall be at least equal to an amount sufficient to redeem the Notes (other than the Class E Notes), subject to Condition 9(b) (*Principal*), and subject to and in accordance with the Redemption Priority of Payments, at their Principal Amount Outstanding and to pay any accrued but unpaid interest thereon plus any other items ranking higher than payments of interest under the Notes.

Assignment Notification Events

If:

(a) a default is made by the Seller in the payment on the due date of any amount due and payable by it under the Mortgage Receivables Purchase Agreement or any other Transaction Document to which it is a party and such failure is not remedied within ten (10) Business Days after notice thereof has been given by the Issuer or the Security Trustee to the Seller; or

(b) the Seller fails duly to perform or comply with any of its material obligations under the Mortgage Receivables Purchase Agreement or under any other Transaction Document to which it is a 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 Issuer or the Security Trustee to the Seller; or

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

(d) any of the Seller takes any corporate action or other steps are taken or legal proceedings are started or threatened against it for its dissolution (*ontbinding*) and liquidation (*vereffening*) or legal demerger (*juridische splitsing*) involving the Seller or any of its assets are placed under administration (*onder bewind gesteld*); or

(e) the Seller has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for its entering into a suspension of payments (*surseance van betaling*) or for bankruptcy or for any analogous insolvency proceedings under any applicable law or for the appointment of a receiver or a similar officer of it or of any or all of its assets; or

(f) at any time it becomes unlawful for the Seller to perform all or a material part of its obligations under any Transaction Document to which it is a party; or

(g) the Seller ceases to be part of the BNP Paribas S.A. group of companies; or

(h) the Seller has given materially incorrect information or not given material information which was essential for the Issuer and the Security Trustee in connection with the entering into the Mortgage Receivables Purchase Agreement and/or any of the Transaction Documents,

then, (x) the Seller shall notify the Issuer and the Security Trustee thereof and (y), unless the Security Trustee instructs otherwise, provided that each Credit Rating Agency has provided a Credit Rating Agency Confirmation in respect of such instruction, the Seller undertakes to (x) forthwith notify or ensure that the relevant Borrower, the relevant Insurance Companies and any other related party indicated by the Issuer and/or the Security Trustee are forthwith notified of the assignment of the

Mortgage Receivables and the Beneficiary Rights relating thereto, all this substantially in accordance with the form of the relevant notification letter attached to the Mortgage Receivables Purchase Agreement and (y) make the appropriate entries in the relevant mortgage register with regard to the assignment of the Mortgage Receivables. The Issuer or the Security Trustee, on behalf of the Issuer, shall be entitled to effect such notification and entry itself for which the Seller, to the extent required, will grant an irrevocable power of attorney to the Issuer and the Security Trustee in the Mortgage Receivables Purchase Agreement.

7.2 Representations and warranties

The Seller will represent and warrant on the Closing Date with respect to the Mortgage Receivables sold and assigned by it on such date to the Issuer and the Mortgage Loans under which such Mortgage Receivables arise, *inter alia*, that:

(a) the Mortgage Receivables are duly and validly existing;

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

(c) it has power to sell and assign the Mortgage Receivables;

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

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

(f) each Mortgaged Asset was valued by an independent qualified valuer or surveyor when the application for the relevant Mortgage Loan was made and no such valuations were older than twelve (12) months on the date of such mortgage application by the relevant Borrower, except that no valuation is required if (i) other than with respect to a NHG Mortgage Loan Part, the Mortgage Loan (or, in the case of Mortgage Loans secured on the same Mortgaged Asset, the aggregate of such Mortgage Loans) does not exceed 60 per cent. or 90 per cent, depending on the product type, of the value based upon an assessment by the Dutch tax authorities on the basis of the Act on Valuation of Real Estate (*Wet Waardering Onroerende Zaken*), or (ii) the Mortgage Loan is secured by a Mortgage on newly built properties (other than constructions under the Borrower's own management (*onder eigen beheer*)) and no re-valuation of the relevant Mortgaged Asset has taken place, except in certain cases where the principal amount of the relevant Mortgage Loan was increased or decreased or an amendment was made in respect of the Mortgage Loan;

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

(h) each Mortgage Receivable, and each Mortgage and Borrower Pledge, if any, securing such receivable, constitutes legal, valid, binding and enforceable obligations of the Borrower;

(i) each Mortgage Loan was originated by it (or any of its legal predecessors) or by an entity from which it has acquired by way of contract assumption (*contractsoverneming*) the Mortgage Loan;

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

(k) each Mortgage Loan has been granted and each Mortgage and Borrower Pledge has been vested, subject to the general terms and conditions and in the forms of mortgage deeds as set out in Schedule 6 to the Mortgage Receivables Purchase Agreement, which is subdivided in (i) Schedule 6-A to which the mortgage deeds relating to each type of Mortgage Loan are attached, (ii) Schedule 6-B to which the general terms and conditions for mortgage loans are attached, and (iii) Schedule 6-C to which a standard offer letter (*offerte*), including all exhibits, is attached;

(l) it has no Other Claims;

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

(n) each of the Mortgage Loans meets the Mortgage Loan Criteria;

(o) each of the Mortgage Loans has been granted by it (or any of its legal predecessors) or by an entity from which it has acquired by way of contract assumption (*contractsoverneming*) the Mortgage Loan in accordance with all applicable legal requirements and the Code of Conduct on Mortgage Loans (*Gedragscode Hypothecaire Financieringen*) and met its standard underwriting criteria and procedures prevailing at the time of origination and such underwriting criteria and procedures are in a form as may be expected from a reasonably prudent lender of residential mortgage loans in the Netherlands;

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

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

(r) with respect to each Mortgage Receivable resulting from a Savings Mortgage Loan a valid pledge agreement has been entered into by it and the relevant Borrower with respect to the relevant Savings Insurance Policies and the right of pledge is valid and has been notified to the relevant Savings Insurance Company;

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

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

(u) with respect to each Mortgage Receivable resulting from a Life Mortgage Loan, a valid pledge agreement has been entered into by it and the relevant Borrower with respect to the relevant Life Insurance Policies and the right of pledge is valid and has been notified to the relevant

Insurance Company;

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

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

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

(y) with respect to the Investment Mortgage Loans, the securities are purchased on behalf of the relevant Borrower by the financial enterprise (*financiële onderneming*) at which the Borrower maintains its Borrower Investment Account and these securities are held in custody by an admitted institution of Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. in accordance with the Securities Giro Act (*Wet Giraal Effectenverkeer*) or, if they do not qualify as such, the securities will be held in accordance with the requirements included in Section 6:14 of the Further Regulation on Conduct Supervision of Financial Enterprises (*Nadere regeling gedragstoezicht financiele ondernemingen Wft*) on the basis of which measures should be taken to sufficiently protect the rights of the Borrower with respect to the securities credited to its Borrower Investment Account;

(z) with respect to each of the Mortgage Receivables resulting from an Hybrid Mortgage Loan, a valid pledge agreement has been entered into by it and the relevant Borrower with respect to the relevant Savings Investment Insurance Policies and the right of pledge is valid and has been notified to the relevant Savings Insurance Company;

(aa) it has not been notified and is not aware of anything affecting its title to the Mortgage Receivables;

(bb) the notarial mortgage deeds (*minuut*) relating to the Mortgage Loans are held by a civil law notary (*notaris*) in the Netherlands, while scanned copies of such deeds and of the other mortgage documents are held by it;

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

(dd) each Mortgage Loan constitutes the entire loan granted to the relevant Borrower and not merely one or more Loan Parts;

(ee) each Mortgage Receivable resulting from the Mortgage Loans that is secured by the same Mortgage or by first and sequentially lower ranking Mortgages on the same Mortgaged Asset is sold and assigned to the Issuer pursuant to the Deed of Assignment and Pledge;

(ff) each of the Mortgage Assets on which a Mortgage has been vested to secure the Mortgage Receivable had, at the time the Mortgage Loan was originated, the benefit of buildings insurance (*opstalverzekering*) for the full reinstatement value (*herbouwwaarde*);

(gg) the Mortgage Conditions provide that all payments by the Borrowers should be made without any deduction or set-off;

(hh) it has not accepted any deposits from the Borrowers, and it does not have any current account relationship with the Borrowers;

(ii) with respect to each Mortgage Loan to which an Insurance Policy is attached, the Insurance Policy (other than a Risk Insurance Policy) is in the form of a combined risk and capital policy which as far as the capital element is concerned, pays upon maturity of the Insurance Policy and that each of the Insurance Policies has a term not exceeding thirty (30) years from the date the relevant Mortgage Loan was granted;

(jj) with respect to the Mortgage Loans secured by a mortgage over a long lease (*erfpacht*), the Mortgage Loans have a maturity that is shorter than the term of the relevant long lease; and

(kk) the aggregate Outstanding Principal Amount of all Mortgage Receivables as at the Cut-Off Date is equal to EUR 1,031,144,384.84.

7.3 Eligibility criteria

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

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

(i) a Life Mortgage Loan (*universal life/levenhypotheek*);

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

(iii) an Hybrid Mortgage Loan (*hybride hypotheek*);

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

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

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

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

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

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

(d) at least one (1) interest payment has been made in respect of the Mortgage Loan prior to the Closing Date;

(e) the Mortgage Loan is fully disbursed (i.e. does not qualify as a construction mortgage (*bouwhypotheek*));

(f) pursuant to the applicable Mortgage Conditions, (i) the Mortgaged Asset may not be the subject of residential letting at the time of origination and (ii) the Mortgaged Asset is for residential use and has to be occupied by the relevant Borrower at and after the time of origination;

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

(h) interest payments on the Mortgage Loan are scheduled to be made monthly by means of direct debit;

(i) the aggregate Outstanding Principal Amount of the Mortgage Receivable resulting from a Mortgage Loan (or, in the case of Mortgage Loans secured on the same Mortgaged Asset, the aggregate Outstanding Principal Amount of the Mortgage Receivables resulting therefrom) does not exceed EUR 1,000,000;

(j) on the Cut-Off Date no amounts due under any of the Mortgage Receivables sold and assigned to the Issuer on the Closing Date were unpaid;

(k) the Borrower, at the time of origination, did not self-certify his/her income and was not an employee of the Seller or any of its group companies;

(l) the Borrower (or if at least one of them, as applicable) was, at the time of origination, either employed or in early retirement;

(m) each Mortgage Receivable is denominated in euro;

(n) the Mortgage Loan will not have a legal maturity beyond November 2042; and

(o) the Mortgage Receivable has a positive Outstanding Principal Amount.

7.4 Portfolio conditions

See section 7.3 (*Eligibility criteria*).

7.5 Servicing Agreement

In the Servicing Agreement the Servicer will agree to provide administration and management services to the Issuer on a day-to-day basis in relation to the Mortgage Loans and the Mortgage Receivables, including, without limitation, the collection of payments of principal, interest and other amounts in respect of the Mortgage Receivables, all administrative actions in relation thereto and the implementation of arrears procedures including the enforcement of Mortgages (see further section 6.3 (*Origination and servicing by Originator*)). The Servicer will be obliged to manage the Mortgage Loans and the Mortgage Receivables with the same level of skill, care and diligence as mortgage loans in its own or, as the case may be, the Seller's portfolio.

The Servicer which holds a license under the Wft to act as offeror (*aanbieder*) has, in accordance with the terms of the Servicing Agreement, appointed Stater and Novalink, as its sub-servicers to carry out (part of) the activities described above. The Issuer and the Security Trustee have consented to the appointment of Stater and Novalink as sub-servicers.

The Servicing Agreement may be terminated by the Issuer and the Security Trustee, acting jointly, upon the occurrence of certain termination events, including but not limited to, a failure by the Servicer to comply with its obligations (unless remedied within the applicable grace period), dissolution or liquidation of the Servicer or the Servicer being declared bankrupt or granted a suspension of payments or if the Servicer no longer holds a licence under the Wft. In addition the Servicing Agreement may be terminated by the Servicer upon the expiry of not less than six (6) months' notice, subject to written approval of the Issuer and the Security Trustee, which approval may not be unreasonably withheld and each Credit Rating Agency having provided a Credit Rating Agency Confirmation in respect of the termination. A termination of the Servicing Agreement by either the Issuer and the Security Trustee or the Servicer will only become effective if a substitute servicer is appointed.

Upon the occurrence of a termination event as set forth above, the Security Trustee and the Issuer shall use their best efforts to appoint a substitute servicer and such substitute servicer shall enter into an agreement with the Issuer and the Security Trustee substantially on the terms of the Servicing Agreement, provided that such substitute servicer shall have the benefit of a servicing fee at a level to be then determined. Any such substitute servicer must have experience of handling mortgage loans and mortgages of residential property in the Netherlands and hold a licence under the Wft to act as offeror (*aanbieder*) and servicer (*bemiddelaar*). The Issuer shall, promptly following the execution of such agreement, pledge its interest in such agreement in favour of the Security Trustee on the terms of the Issuer Rights Pledge Agreement, *mutatis mutandis*, to the satisfaction of the Security Trustee.

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

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

7.6 Sub-participation

Under each of the Insurance Savings Participation Agreements the Issuer will grant to the relevant Insurance Savings Participant a participation in the relevant Savings Mortgage Receivables or Hybrid Mortgage Receivables, as the case may be.

Insurance Savings Participation Agreements

In each Insurance Savings Participation Agreement the relevant Insurance Savings Participant undertakes to pay to the Issuer:

(a) at the Closing Date, an amount equal to the aggregate Initial Insurance Savings Participations;

(b) on each Mortgage Collection Payment Date an amount equal to the Switched Savings Participation; and

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

provided that in respect of each Savings Mortgage Receivable and Hybrid Mortgage Receivable no amounts will be paid to the extent that as a result thereof the Insurance Savings Participation in such Savings Mortgage Receivable or Hybrid Mortgage Receivable would exceed the Outstanding Principal Amount of such Savings Mortgage Receivable or Hybrid Mortgage Receivable at such time.

As a consequence of such payments each of the Insurance Savings Participants will acquire an Insurance Savings Participation in the relevant Savings Mortgage Receivables or Hybrid Mortgage Receivables, which is equal to the Initial Insurance Savings Participation, if any, increased during each Mortgage Calculation Period with the Insurance Savings Participation Increase.

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

Reduction of Insurance Savings Participations

If:

(i) a Borrower invokes a right of set-off or any other defence against any person in respect of the relevant Savings Mortgage Receivables or Hybrid Mortgage Receivables based upon a default in the performance, whether in whole or in part and for any reason, by the relevant Savings Insurance Company of its payment obligations under the relevant Savings Insurance Policy or Savings Investment Insurance Policy, as the case may be; or

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

and, as a consequence thereof, the Issuer will not have received any amount which it would have received if such defence or failure to pay would not have been made in respect of such Savings Mortgage Receivables or Hybrid Mortgage Receivables, the Insurance Savings Participation of the relevant Insurance Savings Participant in respect of such Mortgage Receivables will be reduced by an amount equal to the amount which the Issuer has failed to so receive and the calculation of the Insurance Savings Participation Redemption Available Amount shall be adjusted accordingly.

Enforcement Notice

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

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

(ii) declare the relevant 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 received or collected by the Issuer or, in the case of enforcement, the Security Trustee under the relevant Savings Mortgage Receivables or Hybrid Mortgage Receivables.

Termination

If one or more of the Savings Mortgage Receivables and/or Hybrid Mortgage Receivables are (i) repurchased by the Seller (or any third party appointed by the Seller) from the Issuer pursuant to the Mortgage Receivables Purchase Agreement or (ii) sold by the Issuer to a third party pursuant to the

Mortgage Receivables Purchase Agreement or the Trust Deed, the Insurance Savings Participation in such Savings Mortgage Receivables and/or Hybrid Mortgage Receivables will terminate and the Insurance Savings Participation Redemption Available Amount in respect of such Savings Mortgage Receivables and/or Hybrid Mortgage Receivables will be paid by the Issuer to the relevant Insurance Savings Participant. If so requested by an Insurance Savings Participant, the Issuer will use its best efforts to ensure that the transferee of the Savings Mortgage Receivables and/or Hybrid Mortgage Receivables will enter into an insurance savings participation agreement with the relevant Insurance Savings Participant in a form similar to the Insurance Savings Participation Agreement entered into with such Insurance Savings Participant. Furthermore, any Insurance Savings Participation envisaged in each of the Insurance Savings Participation Agreements shall terminate if at the close of business on the relevant calculation date the relevant Insurance Savings Participant has received in full the Insurance Savings Participations in respect of the relevant Savings Mortgage Receivables and/or Hybrid Mortgage Receivables.

8 GENERAL

1. The issue of the Notes has been authorised by a resolution of the board of managing directors of the Issuer passed on 20 June 2013.

2. The Class A1 Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam and will bear common code 094037999 and ISIN XS0940379992.

3. The Class A2 Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam and will bear common code 094038006 and ISIN XS0940380065.

4. The Class B Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam and will bear common code 094038014 and ISIN XS0940380149.

5. The Class C Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam and will bear common code 094038049 and ISIN XS0940380495.

6. The Class D Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam and will bear common code 094038057 and ISIN XS0940380578.

7. The Class E Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and through the Securities Clearing Corporation of Euronext Amsterdam and will bear common code 094038065 and ISIN XS0940380651.

8. The address of Euroclear is 1 Boulevard de Roi Albert II, 1210 Brussels, Belgium. The address of Clearstream, Luxembourg is 42 J.F. Kennedy, L-1855 Luxembourg.

9. Copies of the following documents may be inspected at the specified offices of the Security Trustee and the Paying Agent during normal business hours, as long as any Notes are outstanding:

   (a) the Prospectus;

   (b) the deed of incorporation including the articles of association of the Issuer;

   (c) the Mortgage Receivables Purchase Agreement;

   (d) the Paying Agency Agreement;

   (e) the Trust Deed;

   (f) the Secured Creditors Agreement;

   (g) the Issuer Mortgage Receivables Pledge Agreement;

(h) the Issuer Rights Pledge Agreement;

(i) the Issuer Accounts Pledge Agreement;

(j) the Servicing Agreement;

(k) the Administration Agreement;

(l) the Insurance Savings Participation Agreements;

(m) the Issuer Account Agreement;

(n) the Cash Advance Facility Agreement;

(o) the Swap Agreement;

(p) the Conditional Deed of Novation;

(q) the Beneficiary Waiver Agreement;

(r) the Master Definitions Agreement;

(s) the Guarantee Agreement; and

(t) the deed of incorporation including the articles of association of the Security Trustee.

10. No statutory or non-statutory accounts in respect of any financial year of the Issuer have been prepared. So long as the Notes are listed on Euronext Amsterdam, the most recently published audited annual accounts of the Issuer from time to time will be available at the specified offices of the Security Trustee.

11. The following document is incorporated herein by reference:

    (a) The deed of incorporation which includes the articles of association of the Issuer dated 25 February 2013.

    A free copy of the Issuer's articles of association is available at the office of the Issuer located: Herengracht 537, 1017 BV Amsterdam, the Netherlands.

12. As long as the Notes (other than the Class E Notes) are outstanding, a quarterly report on the performance, including the arrears and the losses, of the transaction, together with current stratification tables can be obtained at: www.intertrustgroup-fgreporting.com and/or the website of the DSA: www.dutchsecuritisation.nl.

13. The Issuer Administrator will make available loan-by-loan information (i) on the Mortgage Receivables prior to the issue date which information can be obtained upon request from the Issuer and (ii) after the issue date, on a quarterly basis, which information can be obtained at the website of the European DataWarehouse http://www.eurodw.eu/edwin.html within one month after the relevant Notes Payment Date, for as long as such requirement is effective.

14. The estimated aggregate upfront cost of the transaction amount to approximately 0.05 per cent. of the proceeds of the Notes. There are no costs deducted by the Issuer from any investment made by any Noteholder in respect of the subscription or purchase of the Notes.

15. This Prospectus constitutes a prospectus for the purpose of the Prospectus Directive. A free copy of the Prospectus is available at the offices of the Issuer, the Arranger and the Paying Agent and can be obtained at https://www.intertrustgroup-fgreporting.com/.

16. Responsibility statements

The Issuer is responsible for the information contained in this Prospectus. In addition to the Issuer, the Seller, Stater and Novalink are responsible for the information as referred to in the following two paragraphs. To the best of the Issuer's knowledge and belief, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Issuer accepts responsibility accordingly.

17. For the information set forth in the following sections of this Prospectus: 3.4 (*Seller/Originator*), 3.5 (*Servicer*), 6.1 (*Stratification tables*), 6.2 (*Description of Mortgage Loans*), 6.3 (*Origination and servicing by Originator*), 6.4 (*Dutch residential mortgage market*), 6.5 (*NHG Guarantee programme*), under *Retention statement* in section 4.4 (*Regulatory & industry compliance*) and under *CRD* in section *Responsibility statements and important information*, the Issuer has relied on information from the Seller, for which the Seller is responsible. To the best of its knowledge and belief, having taken all reasonable care to ensure that such is the case, the information set forth under these sections and paragraphs referred to in this paragraph is in accordance with the facts and does not omit anything likely to affect the import of such information. The Seller accepts responsibility accordingly. For the information set forth under sections 3.6 (*Administrator*) and 3.3 (*Security Trustee*) of this Prospectus, the Issuer has relied on information from Intertrust (Netherlands) B.V. Intertrust (Netherlands) B.V. is responsible solely for the information set forth under these sections and not for information set forth under any other section and consequently, Intertrust (Netherlands) B.V. does not assume any liability in respect of the information set forth under any other part of the Prospectus. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), the information set forth under sections *Administrator* and *Security Trustee* is in accordance with the facts and does not omit anything likely to affect the import of such information. Intertrust (Netherlands B.V.) accepts responsibility accordingly. For the information set forth under Stater Nederland B.V. in section 6.3 (*Origination and servicing by Originator*) of this Prospectus, the Issuer has relied on information from Stater. Stater is responsible solely for the information set forth under Stater Nederland B.V. in section 6.3 (*Origination and servicing by Originator*) of this Prospectus and not for information set forth under any other section and consequently, Stater does not assume any liability in respect of the information contained in any section other than the section Stater Nederland B.V. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), the information set forth under the section Stater Nederland B.V. is in accordance with the facts and does not omit anything likely to affect the import of such information. Stater accepts responsibility accordingly. For the information set

forth under Novalink B.V. in section 6.3 (*Origination and servicing by Originator*) of this Prospectus, the Issuer has relied on information from Novalink. Novalink is responsible solely for the information set forth under Novalink B.V. in section 6.3 (*Origination and servicing by Originator*) of this Prospectus and not for information set forth under any other section and consequently, Novalink does not assume any liability in respect of the information set forth under any section other than the section Novalink B.V. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case), the information set forth under the section Novalink B.V. is in accordance with the facts and does not omit anything likely to affect the import of such information. Novalink accepts responsibility accordingly. The information in these sections and any other information from third-parties set forth and specified as such in this Prospectus, other than the information set out in the sections *Stater Nederland B.V.* and *Novalink B.V.* of this Prospectus and in the section Administrator, has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by that third-party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

18. The Joint Lead Managers have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Joint Lead Managers as to the accuracy or completeness of the information contained in this Prospectus or any other information provided by the Issuer, the Seller, Stater and Novalink B.V. or any other party.

9 GLOSSARY OF DEFINED TERMS

9.1 Definitions

The defined terms used in this glossary of defined terms, to the extent applicable, conform to the RMBS Standard as at the date of this Prospectus. However, certain deviations from the defined terms used in the RMBS Standard are denoted in the below as follows:

- *If the defined term is not included in the RMBS Standard definitions list and is an additional definition, by including the symbol '+' in front of the relevant defined term;*
- *If the defined term deviates from the definition as recorded in the RMBS Standard definitions list, by including the symbol '*' in front of the relevant defined term;*
- *If the defined term is not between square brackets in the RMBS Standard definitions list and is not used in this Prospectus, by including the symbol 'N/A' in front of the relevant defined term;*
- *If the defined term is between square brackets in the RMBS Standard definitions list or contains wording between square brackets in the RMBS Standard definitions list, by completing the defined term and removing the square brackets if the defined term is used in this Prospectus; or*
- *If the defined term contains a [●], by completing the defined term and removing the [●].*

Except where the context otherwise requires, the following defined terms used in this Prospectus have the meaning set out below:

	Administration Agreement means the administration agreement between the Issuer, the Issuer Administrator and the Security Trustee dated the Signing Date;
	AFM means the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*);
+	**Agents** means the Reference Agent, the Principal Paying Agent and the Paying Agent, collectively;
	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 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 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;
N/A	**Annuity Mortgage Receivable**
	Arranger means BNP Paribas;
N/A	**Arrears**
+	**ASR** means ASR Levensverzekering N.V.;
	Assignment Notification Event means any of the events specified as such in section 7.1 (*Purchase, repurchase and sale*) of this Prospectus;
	Available Principal Funds has the meaning ascribed thereto in section 5.1 (*Available Funds*) of this Prospectus;
	Available Revenue Funds has the meaning ascribed thereto in section 5.1 (*Available Funds*) of this Prospectus;
+	**Back-Up Swap Counterparty** means BNP Paribas;
+	**Barclays** means Barclays Bank PLC;
	Basic Terms Change has the meaning set forth as such in Condition 14 (*Meetings of Noteholders; Modification; Consents; Waiver; Removal Director*);
	Beneficiary Rights means all rights which the Seller has vis-à-vis the relevant Insurance Company in respect of an Insurance Policy, under which the Seller has been appointed by the Borrower as beneficiary (*begunstigde*) in connection with the relevant Mortgage Receivable;
	Beneficiary Waiver Agreement means the beneficiary waiver agreement between, amongst others, the Seller, the Security Trustee and the Issuer dated the Signing Date;
	BKR means National Credit Register (*Bureau Krediet Registratie*);
+	**BNP Paribas** means BNP Paribas S.A.;
+	**BNP Paribas Personal Finance** means BNP Paribas Personal Finance B.V.;
	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 Seller 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, a TARGET 2 Settlement Day and (ii) in any other case, a day on which banks are generally open for business in Amsterdam, the Netherlands, Paris, France, Luxembourg, Luxembourg and Brussels, Belgium;
+	**Cardif** means BNP Paribas Cardif Levensverzekeringen N.V.;
+	**Cash Advance Facility** means the cash advance facility provided by the Cash Advance Facility Provider to the Issuer pursuant to the Cash Advance Facility Agreement;
	Cash Advance Facility Agreement means the cash advance facility agreement between the Cash Advance Facility Provider, the Issuer and the Security Trustee dated the Signing Date;
	Cash Advance Facility Drawing means a drawing under the Cash Advance Facility;
	Cash Advance Facility Maximum Amount means, an amount equal to the greater of (i) 2.00 per cent. of the Principal Amount Outstanding of the Notes on such date and (ii) 0.50 per cent. of the Principal Amount Outstanding of the Notes as at the Closing Date;
	Cash Advance Facility Provider means BNP Paribas;
	Cash Advance Facility Stand-by Drawing means the drawing by the Issuer of the entire undrawn portion under the Cash Advance Facility Agreement if a Cash Advance Facility Stand-by Drawing Event occurs;
	Cash Advance Facility Stand-by Drawing Account means the bank account of the Issuer designated as such in the Issuer Account Agreement;
	Cash Advance Facility Stand-by Drawing Event means any of the events specified as such

	under *Cash Advance Facility* in section 5.5 (*Liquidity support*) of this Prospectus;
	Cash Advance Facility Stand-by Drawing Period means the period as from the date the Cash Advance Facility Stand-by Drawing is made until the date it is repaid;
	Class A Notes means the Class A1 Notes and the Class A2 Notes;
	Class A1 Notes means the EUR 175,000,000 senior class A1 mortgage-backed notes 2013 due 2045;
	Class A2 Notes means the EUR 765,000,000 senior class A2 mortgage-backed notes 2013 due 2045;
	Class B Notes means the EUR 25,000,000 mezzanine class B mortgage-backed notes 2013 due 2045;
	Class C Notes means the EUR 20,000,000 mezzanine class C mortgage-backed notes 2013 due 2045;
	Class D Notes means the EUR 15,000,000 junior class D mortgage-backed notes 2013 due 2045;
	Class E Notes means the EUR 10,000,000 subordinated class E notes 2013 due 2045;
	Clean-Up Call Option means the right of the Seller to repurchase and accept re-assignment of all (but not only part of) the Mortgage Receivables which are outstanding which right may be exercised on any Notes Payment Date on which the aggregate Principal Amount Outstanding of the Notes (in case of a Principal Shortfall in respect of any Class of Notes, less such aggregate Principal Shortfall) is not more than ten (10) per cent. of the aggregate Principal Amount Outstanding of the Notes on the Closing Date;
	Clearstream, Luxembourg means Clearstream Banking, société anonyme;
	Closing Date means 27 June 2013 or such later date as may be agreed between the Issuer and the Joint Lead Managers;
	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*);
+	**Conditional Deed of Novation** means the conditional deed of novation between the Issuer, the Security Trustee, the Swap Counterparty and the Back-Up Swap Counterparty dated the Signing Date;
	Conditions means the terms and conditions of the Notes set out in schedule 5 to the Trust Deed as from time to time modified in accordance with the Trust Deed and, with respect to any

	Notes represented by a Global Note, as modified by the provisions of the relevant Global Note;
	Coupons means the interest coupons appertaining to the Notes;
N/A	**CPR**
+	**CRA Regulation** means Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on Credit Rating Agencies as amended by Regulation (EU) No 513/2011;
*	**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 Closing Date includes Fitch 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 thirty (30) calendar 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;

	Cut-Off Date means 31 May 2013;
	Deed of Assignment and Pledge means a deed of assignment and pledge in the form set out in the Mortgage Receivables Purchase Agreement;
N/A	**Defaulted Mortgage Loan**
	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 BNP Paribas Trust B.V. as a member of the board of managing directors of the Issuer and the sole managing director of the Shareholder and Intertrust (Netherlands) B.V. as a member of the board of managing directors of the Issuer and the sole managing director of the Security Trustee, collectively;
	DNB means the Dutch central bank (*De Nederlandsche Bank N.V.*);
	DSA means the Dutch Securitisation Association;
N/A	**Enforcement Date**
	Enforcement Notice means the notice delivered by the Security Trustee to the Issuer pursuant to Condition 10 (*Events of Default*);
	EONIA means the Euro Overnight Index Average as published jointly by the European Banking Federation and ACI/The Financial Market Association;
	ESMA means the European Securities and Markets Authority;
*	**EUR, euro or €** means the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community (signed in Rome on 25 March 1957), as amended from time to time;
	Euroclear means Euroclear Bank SA/NV as operator of the Euroclear System;
	Euronext Amsterdam means NYSE Euronext in Amsterdam, the Netherlands;
	Eurosystem Eligible Collateral means collateral recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem;

	Events of Default means any of the events specified as such in Condition 10 (*Events of Default*);
+	**Excess Spread** means, with respect to a Notes Payment Date, an amount equal to 0.50 per cent. per annum applied to the Principal Amount Outstanding of each Class of Notes (other than the Class E Notes) on the first (1st) day of the Interest Period ending on such Notes Payment Date reduced by the debit balance on the Principal Deficiency Ledger on such Notes Payment Date after application of the Available Revenue Funds;
	Exchange Date means the date, not earlier than forty (40) calendar days after the issue date of the Notes on which interests in the Temporary Global Notes will be exchangeable for interests in the Permanent Global Notes;
	Extraordinary Resolution has the meaning ascribed to it in Condition 14 (*Meetings of Noteholders; Modification; Consents; Waiver; Removal Director*);
+	**FATCA** means the United States Foreign Account Tax Compliance Act of 2009;
	Final Maturity Date means the Notes Payment Date falling in November 2045;
	First Optional Redemption Date means the Notes Payment Date falling in August 2018;
	Fitch means Fitch Ratings Ltd., and includes any successor to its rating business;
+	**Floating Rate of Interest** has the meaning ascribed to it in Condition 4(f) (*Determination of Floating Rate of Interest and Calculation of the Floating Interest Amount*);
	Foreclosure Value means the foreclosure value of the Mortgaged Asset;
	Further Advance means a loan or a further advance to be made by a Borrower under a Mortgage Loan, which is secured by the same Mortgage;
N/A	**Further Advance Receivable**
	Global Note means any Temporary Global Note or Permanent Global Note;
+	**Guarantee** means the guarantee agreement between the Issuer, the Security Trustee, the Guarantor and the Seller;
+	**Guarantor** means BNP Paribas;
+	**Highest Rated Supported Notes** means at any time the Class of Notes (other than the Class D Notes and the Class E Notes) then outstanding, which has the highest rating of all Notes (other than the Class D Notes and the Class E Notes) assigned by S&P;
+	**Hybrid Investment Fund** means a certain investment fund selected by the Borrower in

	relation to a Hybrid Mortgage Loan;
	Hybrid Mortgage Loan means any mortgage loan or part thereof that is in the form of a Hybride Hypotheek offered by the 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;
+	**Hybrid Savings Fund** means, in respect of a Hybrid Mortgage Loan, an account in the name of the relevant Savings Insurance Company with the Seller;
+	**ING** means ING Bank N.V.;
	Initial Insurance Savings Participation means, in respect of each Savings Mortgage Receivable and each Hybrid Mortgage Receivable, the sum of the amounts actually received up to and including 31 May 2013 or, as the case may be, the last day of the calendar month immediately preceding the relevant Notes Payment Date, by the relevant Insurance Company from the relevant Borrower as Savings Premiums under the Savings Insurance Policy or Savings Investment Insurance Policy and accrued interest thereon;
*	**Initial Purchase Price** means, in respect of any Mortgage Receivable, its Outstanding Principal Amount on the Cut-Off Date, unless agreed otherwise;
	Insurance Company means any insurance company established in the Netherlands;
	Insurance Policy means a Life Insurance Policy, Risk Insurance Policy, Savings Insurance Policy or Savings Investment Insurance Policy;
	Insurance Savings Participant means any of ASR, Cardif, and SRLEV;
	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 Agreement means the insurance savings participation agreement between the Issuer and an Insurance Savings Participant and the Security Trustee dated the Signing Date;
	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 x I) + S, whereby: P = Participation Fraction; S = the amount to be received by the Issuer pursuant to the 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 relevant 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 scheduled to be received by the Issuer in respect of such Mortgage Calculation Period;
	Insurance Savings Participation Redemption Available Amount has the meaning ascribed thereto in section 7.6 (*Sub-participation*) of this Prospectus;
+	**Interest Determination Date** means the day that is two (2) Business Days preceding the first (1^{st}) day of each Interest Period;
	Interest Period means the period from (and including) the Closing Date to (but excluding) the Notes Payment Date falling in November 2013 and each successive period from (and including) a Notes Payment Date to (but excluding) the next succeeding Notes Payment Date;
N/A	**Interest Rate**
+	**Interest Shortfall Ledger** means the interest shortfall ledger referred to in the Administration Agreement comprising sub-ledgers for each Class of Notes (other than the Class A Notes) on which any shortfall in the aggregate amount of interest payable on a Class of Notes is recorded;
	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;
+	**iSHS** means the International Stater Hypotheek System;
	Issue Price means 100 per cent. of the nominal amount of each Note;

	Issuer means Phedina Hypotheken 2013-I B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under Dutch law and established in Amsterdam, the Netherlands;
	Issuer Account Agreement means the issuer account agreement between the Issuer, the Security Trustee and the Issuer Account Bank dated the Signing Date;
	Issuer Account Bank means BNP Paribas Fortis SA/NV, Amsterdam Branch;
N/A	**Issuer Accounts**
	Issuer Administrator means Intertrust (Netherlands) B.V.;
+	**Issuer Accounts Pledge Agreement** means the issuer accounts pledge agreement between the Issuer (as pledgor), the Security Trustee (as pledgee) and the Issuer Account Bank dated the Signing Date;
	Issuer Collection Account means the bank account of the Issuer designated as such in the Issuer Account Agreement;
+	**Issuer Management Agreement I** means the issuer management agreement between the Issuer, BNP Paribas Trust B.V. (as Director) and the Security Trustee dated the Signing Date;
+	**Issuer Management Agreement II** means the issuer management agreement between the Issuer, Intertrust (Netherlands) B.V. (as Director) and the Security Trustee dated the Signing Date;
	Issuer Mortgage Receivables Pledge Agreement means the mortgage receivables pledge agreement entered into by the Issuer (as pledgor) and the Security Trustee (as pledgee) dated the Signing Date;
	Issuer Rights means any and all rights of the Issuer under and in connection with (i) the Mortgage Receivables Purchase Agreement, (ii) the Servicing Agreement, (iii) the Swap Agreement, (iv) the Conditional Deed of Novation, (v) the Cash Advance Facility Agreement, (vi) the Insurance Savings Participation Agreements, (vii) the Beneficiary Waiver Agreement and (viii) the Guarantee;
	Issuer Rights Pledge Agreement means the pledge agreement between, among others, the Issuer, the Security Trustee, the Seller and the Servicer dated the Signing Date pursuant to which a right of pledge is created in favour of the Security Trustee over the Issuer Rights;
	Issuer Transaction Account means any of the Issuer Collection Account, the Reserve Account and the Cash Advance Facility Stand-by Drawing Account;
	Joint Lead Manager means any of BNP Paribas, London Branch, Barclays, ING and Lloyds;

	Land Registry means the Dutch land registry (*het Kadaster*);
	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;
N/A	**Linear Mortgage Receivable**
	Listing Agent means BNP Paribas Securities Services;
+	**Lloyds** means Lloyds TSB Bank plc;
	Loan Parts means one or more of the loan parts (*leningdelen*) of which a Mortgage Loan consists;
*	**Management Agreement** means any of (i) the Issuer Management Agreement I, (ii) the Issuer Management Agreement II, (iii) the Shareholder Management Agreement and (iv) the Security Trustee Management Agreement;
*	**Market Value** means (i) the market value (*marktwaarde*) of the relevant Mortgaged Asset based on (a) if available, the most recent valuation by an external valuer, or (b) if no valuation is available, the assessment by the Dutch tax authorities on the basis of the WOZ at the time of application by the Borrower or (ii) in respect of a Mortgaged Asset to be constructed or in construction at the time of application by the Borrower, the construction costs of such Mortgaged Asset plus, as applicable, the purchase price of the relevant building lot, in each case as adjusted by the Seller from time to time;
	Master Definitions Agreement means the master definitions agreement between, amongst others, the Seller, the Issuer and the Security Trustee dated the Signing Date;
	Mortgage means a mortgage right (*hypotheekrecht*) securing the relevant Mortgage Receivables;
	Mortgage Calculation Date means, in relation to a Mortgage Collection Payment Date, the

	Business Day immediately preceding such Mortgage Collection Payment Date;
	Mortgage Calculation Period means the period commencing on (and including) the first (1st) day of each calendar month and ending on (and including) the last day of such calendar month except for the first mortgage calculation period, which commences on (and includes) the Cut-Off Date and ends on (and includes) the last day of June 2013;
	Mortgage Collection Payment Date means the sixth (6th) Business Day of each calendar month;
	Mortgage Conditions means the terms and conditions applicable to a Mortgage Loan, as set forth in the relevant mortgage deed and/or in any loan document, offer document or any other document, including any applicable general terms and conditions for mortgage loans as amended or supplemented from time to time;
	Mortgage Loan Criteria means the criteria relating to the Mortgage Loans set forth as such in section 7.1 (*Purchase, repurchase and sale)* of this Prospectus;
N/A	**Mortgage Loan Services**
	Mortgage Loans means the mortgage loans granted by the Originator to the relevant borrowers which may consist of one or more loan parts (*leningdelen*) as set forth in the list of loans attached to the Mortgage Receivables Purchase Agreement, to the extent not retransferred or otherwise disposed of by the Issuer;
	Mortgage Receivable means any and all rights of the Seller (and after assignment of such rights to the Issuer, of the Issuer) against the Borrower under or in connection with a Mortgage Loan, including any and all claims of the Seller (or the Issuer after assignment) on the Borrower as a result of the Mortgage Loan being terminated, dissolved or declared null and void;
	Mortgage Receivables Purchase Agreement means the mortgage receivables purchase agreement between the Seller, the Issuer and the Security Trustee dated the Signing Date;
	Mortgaged Asset means (i) a real property (*onroerende zaak*), (ii) an apartment right (*appartementsrecht*) or (iii) a long lease (*erfpachtsrecht*) situated in the Netherlands on which a Mortgage is vested;
	Net Foreclosure Proceeds means (i) the proceeds of a foreclosure on a Mortgage, (ii) the proceeds of foreclosure on any other collateral securing the relevant Mortgage Receivable, (iii) the proceeds, if any, of collection of any insurance policy in connection with the relevant Mortgage Receivable, including fire insurance policy and Insurance Policy, (iv) the proceeds of the NHG Guarantee and any other guarantees or sureties and (v) the proceeds of foreclosure on any other assets of the relevant Borrower, in each case after deduction of foreclosure costs in respect of such Mortgage Receivable;

	NHG Conditions means the terms and conditions (*voorwaarden en normen*) of the NHG Guarantee as set by Stichting WEW and as amended from time to time;
	NHG Guarantee means a guarantee (*borgtocht*) under the NHG Conditions granted by Stichting WEW;
+	**NHG Mortgage Loan Part** means any Loan Part which has the benefit of an NHG Guarantee;
	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 (3^{rd}) Business Day prior to such Notes Payment Date;
	Notes Calculation Period means, in relation to a Notes Calculation Date, the three (3) successive Mortgage Calculation Periods immediately preceding such Notes Calculation Date except for the first Notes Calculation Period which will commence on the Cut-Off Date and ends on and includes the last day of October 2013;
	Notes Payment Date means the 25^{th} day of February, May, August and November of each year or, if such day is not a Business Day, the immediately succeeding Business Day unless it would as a result fall in the next calendar month, in which case it will be the Business Day immediately preceding such day;
+	**Novalink** means Novalink B.V.;
	NVM means the Dutch Association of Real Estate Brokers and Immovable Property Experts (*Nederlandse Vereniging van Makelaars en vastgoeddeskundigen*);
	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 Originator at the time of granting the Mortgage Loan, as adjusted by the Seller from time to time;
	Original Loan to Original Foreclosure Value Ratio means the ratio calculated by dividing the original principal amount of a Mortgage Receivable at the moment of origination by the Original Foreclosure Value;
	Original Market Value means the Market Value as assessed by the Originator at the time of granting the Mortgage Loan;
	Originator means the Seller;

	Other Claim means any claim the Seller 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, zero;
	Parallel Debt has the meaning ascribed thereto in section 4.7 (*Security)* of this Prospectus;
	Participation Fraction means in respect of each Savings Mortgage Receivable or Hybrid Mortgage Receivable, an amount 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 or Hybrid Mortgage Receivable, on the first day of the relevant Mortgage Calculation Period;
	Paying Agency Agreement means the paying agency agreement between the Issuer, the Paying Agents, the Reference Agent, and the Security Trustee dated the Signing Date;
	Paying Agent means the Principal Paying Agent or BNP Paribas Securities Services, Amsterdam Branch;
+	**PCS** means Prime Collateralised Securities (PCS) UK Limited;
	Permanent Global Note means a permanent global note in respect of a Class of Notes;
*	**Pledge Agreements** means the Issuer Mortgage Receivables Pledge Agreement, the Issuer Rights Pledge Agreement and the Issuer Accounts Pledge Agreement;
	Pledge Notification Event means any of the events specified in clause 6 of the Issuer Mortgage Receivables Pledge Agreement;
	Post-Enforcement Priority of Payments means the priority of payments set out as such in section 5.2 (*Priority of Payments*) of this Prospectus;
	Prepayment Penalties means any prepayment penalties (*boeterente*) to be paid by a Borrower under a Mortgage Loan as a result of the Mortgage Receivable being repaid (in whole or in part) prior to the maturity date of such Mortgage Loan other than (i) on a date whereon the interest rate is reset or (ii) as otherwise permitted pursuant to the Mortgage Conditions;
	Principal Amount Outstanding has the meaning ascribed to it in Condition 6 (*Redemption*);

	Principal Deficiency means the debit balance, if any, of the relevant Principal Deficiency Ledger;
	Principal Deficiency Ledger means the principal deficiency ledger relating to the relevant Classes of Notes and comprising sub-ledgers for each such Class of Notes (except for the Class E Notes);
+	**Principal Obligations** has the meaning ascribed thereto in section 4.7 (*Security*) of this Prospectus;
	Principal Paying Agent means BNP Paribas Securities Services, Luxembourg Branch;
	Principal Shortfall means an amount equal to the balance of the 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;
*	**Priority of Payments** means any of the Revenue Priority of Payments, Redemption Priority of Payments, and Post-Enforcement Priority of Payments;
	Professional Market Party means a professional market party (*professionele marktpartij*) as defined in the Wft;
	Prospectus means this prospectus dated 25 June 2013 relating to the issue of the Notes;
	Prospectus Directive means Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended by the Directive 2010/73/EC of the European Parliament and of the Council of 24 November 2010, as the same may be further amended;
+	**Qualified Investors** means a qualified investor within the meaning of Article 2(1)**I** of the Prospectus Directive;
	Realised Loss has the meaning ascribed thereto in section 5.3 (*Loss allocation*) in this Prospectus;
	Redemption Amount means the principal amount redeemable in respect of each Note as described in Condition 6(c) (*Redemption*);
	Redemption Priority of Payments means the priority of payments set out as such in section 5.2 (*Priority of Payments*) of this Prospectus;
	Reference Agent means BNP Paribas Securities Services, Luxembourg Branch;
	Regulation S means Regulation S of the Securities Act;

+	**Regulatory Call Option** has the meaning ascribed to it in Condition 6 (*Redemption*);
+	**Regulatory Change** has the meaning ascribed to it in Condition 6 (*Redemption*);
+	**Relevant Implementation Date** means including the date on which the Prospectus Directive is implemented in that Relevant Member State;
+	**Relevant Member State** means each Member State of the European Economic Area which has implemented the Prospectus Directive;
N/A	**Relevant Remedy Period**
	Requisite Credit Rating means: (i) with respect to S&P, a rating assigned to the long-term and/or short-term unsecured, unsubordinated and unguaranteed debt obligations of an entity which is at least equal to the relevant S&P Minimum Counterparty Rating to support a security with the rating assigned to the Highest Rated Supported Notes by S&P at such time (or, in the event that any Notes (other than the Class D Notes and the Class E Notes) are downgraded by S&P as a result of a downgrade of such entity, the rating as was assigned to the Highest Rated Supported Notes by S&P immediately prior to such downgrade) or such other rating from time to time notified by S&P, which S&P Minimum Counterparty Rating at the Closing Date for each of the Back-Up Swap Counterparty, the Issuer Account Bank, the Seller Collection Account Bank and the Cash Advance Facility Provider is (x) A with respect to the long-term unsecured, unsubordinated and unguaranteed debt obligations of such entity (if the short-term, unsecured and unsubordinated debt obligations of such entity are also rated at least as high as A-1 by S&P) or (y) A+ by S&P with respect to the long-term unsecured, unsubordinated and unguaranteed debt obligations of such entity (if the short-term, unsecured and unsubordinated debt obligations of such entity are not rated, or are rated below A-1 by S&P); and (ii) with respect to Fitch, a long-term issuer default rating of A and a short-term issuer default rating of F1.
	Reserve Account means the bank account of the Issuer, designated as such in the Issuer Account Agreement;
*	**Reserve Account Target Level** means on any Notes Calculation Date an amount equal to 1.00% of the aggregate Principal Amount Outstanding of the Notes (other than the Class E Notes) on the Closing Date or zero, in case the Notes (other than the Class E Notes) have been redeemed on such date or are to be redeemed on the Notes Payment Date immediately succeeding such date;

	Revenue Priority of Payments means the priority of payments set out as such in section 5.2 (*Priority of Payments*) of this Prospectus;
	Risk Insurance Policy means the risk insurance (*risicoverzekering*) which pays out upon the death of the life insured, taken out by a Borrower with any of the Insurance Companies;
	RMBS Standard means the residential mortgage-backed securities standard created by the DSA, as amended from time to time;
	S&P means Standard & Poor's Credit Market Services Europe Limited, and includes any successor to its rating business;
+	**S&P Minimum Counterparty Rating** means the minimum counterparty rating that S&P requires the relevant counterparty to have in respect of its long-term and/or short-term unsecured, unsubordinated and unguaranteed debt obligations set out in the S&P structured finance report, dated 29 November 2012, titled "Counterparty Risk Framework Methodology And Assumptions", as amended, supplemented or replaced from time to time to support a security with the rating assigned to the Highest Rated Supported Notes by S&P at such time;
	Savings Insurance Company means any of ASR, Cardif and SRLEV;
	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 amounts paid by the relevant Borrower, if any, to the relevant Savings Insurance Company on the basis of a Savings Insurance Policy or Savings Investment Insurance Policy;
	Secured Creditors means the Joint Lead Managers as initial Noteholders, the Directors, the Servicer, the Issuer Administrator, the Paying Agents, the Reference Agent, the Insurance Savings Participants, the Cash Advance Facility Provider, the Swap Counterparty, the Back-

	Up Swap Counterparty, the Noteholders and the Seller;
+	**Secured Creditors Agreement** means the secured creditors agreement between the Security Trustee, the Secured Creditors and the Issuer dated the Signing Date;
	Securities Act means the United States Securities Act of 1933 (as amended);
	Security means any and all security interest created pursuant to the Pledge Agreements;
	Security Trustee means Stichting Security Trustee Phedina Hypotheken 2013-I, a foundation (*stichting*) organised under Dutch law and established in Amsterdam, the Netherlands;
	Security Trustee Management Agreement means the security trustee management agreement between the Security Trustee, its Director and the Issuer dated the Signing Date;
	Seller means BNP Paribas Personal Finance;
*	**Seller Collection Account** means any bank account maintained by the 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 The Royal Bank of Scotland N.V.;
	Servicer means BNP Paribas Personal Finance;
	Servicing Agreement means the servicing agreement between the Servicer, the Issuer and the Security Trustee dated the Signing Date;
+	**Settlement Amount** has the meaning ascribed thereto in the Swap Agreement;
	Shareholder means Stichting Phedina Hypotheken Holding, a foundation (*stichting*) organised under Dutch law and established in Amsterdam, the Netherlands;
*	**Shareholder Management Agreement** means the shareholder management agreement between the Shareholder, BNP Paribas Trust B.V. (as Director) and the Security Trustee dated 19 October 2010;
	Signing Date means 25 June 2013 or such later date as may be agreed between the Issuer and the Joint Lead Managers;
+	**SRLEV** means SRLEV N.V.;
+	**Stater** means Stater Nederland B.V.;
	Stichting WEW means Stichting Waarborgfonds Eigen Woningen;

+	**Subordinated Cash Advance Facility Amount** means in the event a Cash Advance Facility Stand-by Drawing is made, an amount equal to the positive difference between (x) the interest due and payable to the Cash Advance Facility Provider pursuant to the Cash Advance Facility Agreement over that part of the balance standing to the debit of the Cash Advance Facility Stand-by Drawing Account which equals such Cash Advance Facility Stand-by Drawing and (y) the interest received from the Issuer Account Bank over the balance standing to the credit of the Cash Advance Facility Stand-by Drawing Account;
	Sub-servicer means any of Stater and Novalink or any subsequent sub-agent of the Servicer;
	Subscription Agreement means the subscription agreement between the Joint Lead Managers relating to the Class A Notes, the Issuer and the Seller dated the Signing Date;
+	**Supplement to the Shareholder Management Agreement** means the supplement to the Shareholder Management Agreement between the Security Trustee, the Shareholder and BNP Trust B.V. (as its Director) dated the Signing Date;
	Swap Agreement means the swap agreement (documented under a 1992 ISDA master agreement, including the schedule thereto, a credit support annex and a confirmation) between the Issuer, the Swap Counterparty and the Security Trustee dated the Signing Date;
	Swap Collateral means, at any time, any asset (including cash and/or securities) which is paid or transferred by the Swap Counterparty to the Issuer as collateral to secure the performance by the Swap Counterparty of its obligations under the Swap Agreement together with any income or distributions received in respect of such asset and any equivalent of such asset into which such asset is transformed;
	Swap Counterparty means BNP Paribas Personal Finance;
+	**Swap Counterparty Default Payment** means any termination payment due or payable by the Issuer to the Swap Counterparty as a result of the occurrence of an Event of Default (as defined in the Swap Agreement) where the Swap Counterparty is the Defaulting Party or an Additional Termination Event (each as defined in the Swap Agreement) relating to the credit rating of the Back-Up Swap Counterparty;
+	**Switched Savings Participation** means, with respect to each Mortgage Collection Payment Date, in respect of Hybrid Mortgage Loans, amounts switched under the Savings Investment Insurance Policies from investments in one or more Hybrid Investment Funds into investments being made in the form of a deposit into the Hybrid Savings Fund;
	TARGET 2 means the Trans-European Automated Real-Time Gross Settlement Express Transfer 2 System;
	TARGET 2 Settlement Day means any day on which TARGET 2 is open for the settlement of

	payments in euro;
+	**Tax Call Option** has the meaning ascribed thereto in Condition 6 (*Redemption*);
	Temporary Global Note means a temporary global note in respect of a Class of Notes;
	Trade Register means the trade register (*Handelsregister*) of the Chambers of Commerce in the Netherlands;
	Transaction Documents means (i) the Mortgage Receivables Purchase Agreement, (ii) each Deed of Assignment and Pledge, (iii) the Servicing Agreement, (iv) the Issuer Mortgage Receivables Pledge Agreement, (v) the Issuer Accounts Pledge Agreement, (vi) the Issuer Rights Pledge Agreement, (vii) the Trust Deed, (viii) the Subscription Agreement, (ix) the Paying Agency Agreement, (x) the Issuer Account Agreement, (xi) the Swap Agreement, (xii) the Conditional Deed of Novation, (xiii) the Insurance Savings Participation Agreements, (xiv) the Beneficiary Waiver Agreement, (xv) the Management Agreements, (xvi) the Supplement to the Shareholder Management Agreement, (xvii) the Administration Agreement, (xviii) the Secured Creditors Agreement, (xix) the Master Definitions Agreement, (xx) the Cash Advance Facility Agreement, (xxi) the Guarantee and (xxii) the Notes and any further documents relating to the transaction envisaged in the above mentioned documents;
	Trust Deed means the trust deed entered into by, amongst others, the Issuer and the Security Trustee dated the Signing Date;
	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.

9.2 Interpretation

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

9.2.2 Any reference in this 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** Noteholder, Principal Deficiency, Principal Deficiency Ledger, Interest Shortfall Ledger or Redemption Amount shall be construed as a reference to a Noteholder of, or a Principal Deficiency, the Principal Deficiency Ledger, Interest Shortfall Ledger or a Redemption Amount pertaining to, as applicable, the relevant Class of Notes;

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.

9.2.3 In this Prospectus, save where the context otherwise requires, words importing the singular number include the plural and vice versa.

9.2.4 Headings used in this Prospectus are for ease of reference only and do not affect the interpretation of this Prospectus.

10 REGISTERED OFFICES

ISSUER
Phedina Hypotheken 2013-I B.V.
Herengracht 537
1017 BV Amsterdam
the Netherlands

ISSUER ADMINISTRATOR
Intertrust (Netherlands) B.V.
Prins Bernhardplein 200
1097 JB Amsterdam
the Netherlands

SELLER
BNP Paribas Personal Finance B.V.
Marten Meesweg 97
3068 AV Rotterdam
the Netherlands

SERVICER
BNP Paribas Personal Finance B.V.
Marten Meesweg 97
3068 AV Rotterdam
the Netherlands

SECURITY TRUSTEE
Stichting Security Trustee Phedina Hypotheken 2013-I
Prins Bernhardplein 200
1097 JB Amsterdam
the Netherlands

PRINCIPAL PAYING AGENT
BNP Paribas Securities Services, Luxembourg Branch
33 rue de Gasperich
Howald – Hesperange
L-2085 Luxembourg

PAYING AGENT
BNP Paribas Securities Services, Amsterdam Branch
Herengracht 595
1017 CE Amsterdam
the Netherlands

REFERENCE AGENT
BNP Paribas Securities Services, Luxembourg Branch
33 rue de Gasperich
Howald – Hesperange
L-2085 Luxembourg

COMMON SAFEKEEPER
In respect of the Class A Notes
Euroclear Bank S.A./N.V.
1, Boulevard du Roi Albert II
B-1210 Brussels
Belgium

In respect of the Notes (other than the Class A Notes)
BNP Paribas Securities Services, Luxembourg Branch
33 rue de Gasperich, Howald – Hesperange
L-2085 Luxembourg

LISTING AGENT
BNP Paribas Securities Services
3 rue d'Antin
75002 Paris
France

SWAP COUNTERPARTY
BNP Paribas Personal Finance B.V.
Marten Meesweg 97
3068 AV Rotterdam
the Netherlands

BACK-UP SWAP COUNTERPARTY
BNP Paribas S.A.
16 Boulevard des Italiens
75009 Paris
France

CASH ADVANCE FACILITY PROVIDER
BNP Paribas S.A.
16 Boulevard des Italiens
75009 Paris
France

ISSUER ACCOUNT BANK

BNP Paribas Fortis SA/NV, Amsterdam Branch
Herengracht 595
1017 CE Amsterdam
the Netherlands

LEGAL ADVISERS

to the Seller and the Issuer
Loyens & Loeff N.V.
Fred. Roeskestraat 100
1076 ED Amsterdam
the Netherlands

TAX ADVISERS

Loyens & Loeff N.V.
Fred. Roeskestraat 100
1076 ED Amsterdam
the Netherlands

ARRANGER

BNP Paribas, London Branch
10 Harewood Avenue
London NW1 6 AA
United Kingdom

JOINT LEAD MANAGERS

BNP Paribas, London Branch
10 Harewood Avenue
London NW1 6 AA
United Kingdom

Barclays Bank PLC
5 The North Colonnade,
Canary Wharf,
London E14 4BB
United Kingdom

ING Bank N.V.
Bijlmerplein 888
1102 MG Amsterdam
the Netherlands

Lloyds TSB Bank plc
25 Gresham Street
London EC2V 7HN
United Kingdom