

**DOLPHIN MASTER ISSUER B.V.**

*(Incorporated in the Netherlands with its statutory seat in Amsterdam, the Netherlands)*

€ 25,000,000,000

*Residential Mortgage Backed Note Programme*

This document constitutes a base prospectus (the '**Base Prospectus**') within the meaning of Directive 2003/71/EC (the '**Prospectus Directive**'). This Base Prospectus has been approved by the Netherlands Authority for the Financial Markets ("*Stichting Autoriteit Financiële Markten*", the '**AFM**'), which is the Netherlands competent authority for the purpose of the Prospectus Directive and relevant implementing measures in the Netherlands, as a Base Prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in the Netherlands for the purpose of giving information with regard to the issue of Notes under the Programme during the period of twelve months after the date hereof.

Under this € 25,000,000,000 Residential Mortgage Backed Note Programme (the '**Programme**') Dolphin Master Issuer B.V. (the '**Issuer**') may from time to time issue Class A notes, Class B notes, Class C notes, Class D notes and Class E notes (the '**Notes**') denominated in Euro or in another currency as set out in the relevant Final Terms, to the initial Dealers in respect of the first issue and any Dealer appointed under the Programme from time to time by the Issuer (each a '**Dealer**' and together the '**Dealers**'), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the "relevant Dealer(s)" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes. The Notes may be issued in one or more Series. Each Series will consist of one or more Classes of Notes, and each Class may consist of two or more Sub-classes. One or more Series and Classes of Notes may be issued at any time. Notes of Series 0 are intended to be issued to Fortis N.V./S.A. and/or Fortis N.V. or any direct or indirect subsidiary thereof only.

The Notes, other than the Class E Notes, will be issued to finance loans (each advance an '**IC Loan**') to Asset Purchasers under IC Loan Agreements or to redeem other Notes. Each IC Loan will be used to finance the purchase of Mortgage Receivables and the Beneficiary Rights relating thereto from time to time from the relevant Seller. The net proceeds of the Class E Notes will be deposited on the Reserve Account. The Notes will be secured by a right of pledge over the Mortgage Receivables and the Beneficiary Rights relating thereto and a right of pledge over certain other assets of the Issuer and the Asset Purchasers in favour of the Security Trustee.

Application may be made for the Notes to be admitted to trading on Euronext Amsterdam ('**Euronext Amsterdam**') by NYSE Euronext during the period of 12 months from the date of this Base Prospectus. Notice of certain terms and conditions not contained in this Base Prospectus which are applicable to the Notes will be set out in the relevant final terms (the '**Final Terms**') which will be delivered to Euronext Amsterdam and filed with the AFM on or before the date of each issue of Notes. Notes issued under the Programme may also be listed on any other stock exchange specified in the applicable Final Terms.

The Notes of each Series and Class or, as the case may be, each Sub-class thereof will (unless otherwise specified in the applicable Final Terms) initially be represented by a temporary global note in bearer form (each a '**Temporary Global Note**'), without coupons, which is expected to be deposited on or about the date on which such Series and Class is issued (each an '**Issue Date**') either, as stated in the applicable Final Terms, (A) if the Notes are intended to be issued in the new global note ('**NGN**') form, with a common safekeeper for Euroclear Bank S.A./N.V. as operator of the Euroclear System ('**Euroclear**') and Clearstream Banking, société anonyme ('**Clearstream, Luxembourg**') or (B) if the Notes are not intended to be issued in NGN form, (i) with a common depository on behalf of Euroclear and Clearstream, Luxembourg or (ii) Euroclear Netherlands or (iii) a depository for another clearing system. Interests in each Temporary Global Note will be exchangeable for interests in a permanent global note of the relevant Series and Class, or Sub-class thereof, (each a '**Permanent Global Note**'), without coupons not earlier than forty (40) days after the relevant Issue Date upon certification as to non-U.S. beneficial ownership. Interests in each Permanent Global Note, will, in certain limited circumstances, be exchangeable for Notes in definitive form in bearer form (each a '**Definitive Note**') as described in the terms and conditions of the Notes (the '**Conditions**'). The expression '**Global Notes**' means the Temporary Global Notes of each Series and Class and the Permanent Global Notes of each Series and Class and the expression '**Global Note**' means each Temporary Global Note or each Permanent Global Note, as the context may require

The AFM may be requested to provide other competent authorities in the European Economic Area with a certificate of approval so that application may be made for Notes issued under the Programme to be admitted to trading on other regulated markets. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further listing authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.

It is a condition precedent to the issuance of each Series of Notes that the Class A Notes, on issue, be assigned at least a 'AAA' rating by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ('**S&P**'), a 'Aaa' rating by Moody's Investors Service Limited ('**Moody's**'), a 'AAA' rating by Fitch Ratings Limited ('**Fitch**') and a 'AAA' rating by DBRS Limited ('**DBRS**'), and together with S&P, Moody's and Fitch, the '**Rating Agencies**'), the Class B Notes, on issue, be assigned at least a 'AA' rating by S&P, a 'Aaa3' rating by Moody's, a 'AA' rating by Fitch and a 'AA' rating by DBRS, the Class C Notes, on issue, be assigned at least a 'A' rating by S&P, a 'A2' rating by Moody's, a 'A' rating by Fitch and a 'A' rating by DBRS and the Class D Notes, on issue, be assigned at least a 'BBB' rating by S&P, a 'Baa2' rating and by Moody's, a 'BBB' rating by Fitch and a 'BBB' rating by DBRS, such ratings being the '**Minimum Ratings**'.

**A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. For a discussion on some of the risks associated with an investment in the Notes see *Risk Factors* herein.**

The Notes will be solely the obligations of the Issuer. The Notes will not be obligations or responsibilities of, or guaranteed by, any other entity or person, in whatever capacity acting, including, without limitation, the Sellers, the Security Trustee, the Dealers, the Pool Servicers, the Issuer Administrator, the Asset Purchaser Administrators, the Insurance Companies, the Issuer GIC Provider, the Asset Purchaser GIC Provider, the Swap Counterparties, the Principal Paying Agent, the Paying Agent and the Reference Agent (each as defined herein). Furthermore, none of the Sellers, the Security Trustee, the Dealers, the Pool Servicers, the Issuer Administrator, the Asset Purchaser Administrators, the Insurance Companies, the Issuer GIC Provider, the Asset Purchaser GIC Provider, the Swap Counterparties, the Principal Paying Agent, the Paying Agent, the Reference Agent nor any other person in whatever capacity acting will accept any liability whatsoever to Noteholders in respect of any failure by the Issuer to pay any amounts due under the Notes. None of the Sellers, the Security Trustee, the Dealers, the Pool Servicers, the Issuer Administrator, the Asset Purchaser Administrators, the Insurance Companies, the Issuer GIC Provider, the Asset Purchaser GIC Provider, the Swap Counterparties, the Principal Paying Agent, the Paying Agent or the Reference Agent will be under any obligation whatsoever to provide additional funds to the Issuer (save in the limited circumstances pursuant to the Relevant Documents).

For the page reference of the definitions of the capitalised terms used in this Base Prospectus see *Index of Defined Terms*.

**Arranger**

**Fortis Bank**

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## SUMMARY OF THE PROGRAMME

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

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

### **The Asset Purchasers**

Each Asset Purchaser will on a Mortgage Purchase Date purchase from the relevant Seller the Relevant Mortgage Receivables and the Beneficiary Rights relating thereto offered by such Seller, subject to the fulfilment of certain conditions and pursuant to the relevant Asset Purchaser Mortgage Receivables Purchase Agreement (see further *Asset Purchaser Mortgage Receivables Purchase Agreement* below). On the Programme Closing Date each Asset Purchaser, and on each Asset Purchaser Accession Date any new Asset Purchaser, will enter into such Asset Purchaser Mortgage Receivables Purchase Agreement and certain other agreements, which will include the Programme Agreement, an Asset Purchaser GIC, an IC Loan Agreement, an Asset Purchaser Receivables Pledge Agreement, an Asset Purchaser Assets Pledge Agreement, an Asset Purchaser Trust Agreement and an Asset Purchaser Servicing Agreement.

Under the relevant IC Loan Agreement each Asset Purchaser will have the right to make drawings on any date. Each Asset Purchaser will use the proceeds of such drawings to pay to the relevant Seller (part of) the Initial Purchase Price for the Relevant Mortgage Receivables purchased by it.

Each Asset Purchaser will use receipts of principal and interest in respect of the Relevant Mortgage Receivables, amounts drawn from the relevant Asset Purchaser Collection Account and amounts received under the relevant Asset Purchaser Cashflow Swap Agreement to make payments of, *inter alia*, principal and interest due in respect of the relevant IC Loans. The obligations of an Asset Purchaser in respect of the IC Loans, will rank below the obligations of such Asset Purchaser in respect of certain items set forth in the applicable priority of payments (see *Credit Structure Issuer* and *Credit Structure Asset Purchasers*).

Pursuant to the relevant Asset Purchaser GIC, the relevant Asset Purchaser GIC Provider will agree to pay a guaranteed rate of interest on the balance standing from time to time to the credit of the relevant Asset Purchaser Accounts (see under *Credit Structure Asset Purchasers* below).

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

To hedge the risk between the rate of interest to be received by the relevant Asset Purchaser on the Mortgage Receivables and the interest payable by the relevant Asset Purchaser on the IC Loans, each Asset Purchaser will enter into an Asset Purchaser Cashflow Swap Agreement with the relevant Asset Purchaser Cashflow Swap Counterparty (see under *Credit Structure Asset Purchasers* below).

Pursuant to the relevant Asset Purchaser Sub-participation Agreement each Savings Participant will acquire participations in the relevant Savings Mortgage Receivables and Hybrid Savings Mortgage Receivables corresponding to the policy value of the Savings Insurance Policies or Hybrid Savings Insurance Policies involved.

### **The Issuer**

The Issuer, Dolphin Master Issuer B.V., was incorporated as a private company with limited liability ("*besloten vennootschap met beperkte aansprakelijkheid*") under the laws of the Netherlands on 21 August 2007 under number B.V. 1450078. The corporate seat ("*statutaire zetel*") of the Issuer is in Amsterdam, the Netherlands. The Issuer is a special purpose vehicle. All shares of the Issuer are held by Stichting Holding Dolphin.

In order to fund the granting of IC Loans to the Asset Purchasers under the IC Loan Agreements, the Issuer may issue Notes from time to time under the Programme. Other than for the granting of IC Loans, the proceeds of the Notes issued from time to time can be used to redeem other Notes, subject to fulfilment of the Repayment Test. The proceeds of any Class E Notes will be credited to the Issuer Reserve Account and will not be available for the above purposes.

For each issue of Notes Final Terms will be made available and the Notes will be issued in Series only. Each Series may consist of one or more of the following classes: Class A Notes, Class B Notes, Class C Notes, Class D Notes and Class E Notes and each Series and Class, may consist of two or more Sub-classes. The terms of each Series of Notes will be set forth in the relevant Final Terms. A separate Series 0 is intended to be issued to Fortis N.V./S.A. and/or Fortis N.V. or any subsidiary thereof only. The Notes within one Class of different Series may have different terms and the Notes within a Series and Class of different Sub-classes may have different terms. The Notes issued on a certain date may be fungible with Notes issued on an earlier date.

On the Programme Closing Date the Issuer will enter into certain agreements including the Programme Agreement, the Issuer GIC, the IC Loan Agreements, the Issuer Assets Pledge Agreement, the Issuer Parallel Debt Agreement, the Issuer Administration Agreement and the Paying Agency Agreement.

The Issuer will use receipts of principal and interest in respect of the IC Loans together with, *inter alia*, drawings made under the Issuer Reserve Account and the Issuer Collection Account, to make payments of, *inter alia*, principal and interest due in respect of the Notes. The obligations of the Issuer in respect of the Notes, will rank below the obligations of the Issuer in respect of certain items set forth in the applicable priority of payments (see *Credit Structure Issuer*) and (i) the right to payment of interest and principal on the Class B, the Class C, the Class D and the Class E Notes will be subordinated to, *inter alia*, the Class A Notes, (ii) the right to payment of interest and principal on the Class C, the Class D and the Class E Notes will be subordinated to, *inter alia*, the Class A and the Class B Notes, (iii) the right of payment of interest and principal on the Class D and the Class E Notes will be subordinated to, *inter alia*, the Class A, the Class B and the Class C Notes, (iv) the right of payment of interest and principal on the Class E Notes will be subordinated to, *inter alia*, the Class A, the Class B, the Class C and the Class D Notes, as more fully described herein under *Credit Structure Issuer* and *Terms and Conditions of the Notes*.

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

Pursuant to the Issuer Administration Agreement, the Issuer Administrator will provide certain administration, calculation and cash management services to the Issuer (see further *Asset Purchaser Servicing Agreements and Issuer Administration Agreement* below).

### **Security**

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

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

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

The Issuer Trust Deed sets out the priority of the claims of the Programme Secured Parties and the Issuer Secured Parties and the relevant Asset Purchaser Trust Agreement sets out the priority of the claims of the relevant Asset Purchaser Secured Parties. See for a more detailed description *Credit Structure Issuer* and *Credit Structure Asset Purchasers* and *Description of Security* below.

#### **Interest on the Notes**

The Notes will carry a floating rate of interest, payable quarterly in arrear on each Note Payment Date, or a fixed rate of interest payable annually in arrear on a Note Payment Date. On a Step-up Date, (i) Fixed Rate Notes will switch to a floating rate of interest plus a margin and (ii) Floating Rate Notes will be reset subject to and in accordance with the Conditions of the Notes and the applicable Final Terms.

#### **Interest on the IC Loans and costs**

The interest payable by the Asset Purchasers under the IC Loans will be equal to a *pro rata* part of the interest payable by the Issuer on the Notes. Under the IC Loan Agreements the Asset Purchasers will be obliged to pay certain costs of the Issuer on a *pro rata* basis.

#### **Redemption of the Notes**

Unless previously redeemed, the Issuer will, subject to Condition 9(b) and, in respect of the Subordinated Notes, subject to the Repayment Test, redeem all of the Notes of a Series and Class or Sub-class thereof at their respective Principal Amount Outstanding on the Final Maturity Date of such Series and Class or Sub-class thereof.

The Notes (other than the Class E Notes) may be issued in the form of Soft-bullet Notes or Pass-through Notes. Soft-bullet Notes will not be redeemable up to the relevant Step-up Date. After the Step-up Date relating to the relevant Series and Class or Sub-class thereof, the Soft-bullet Notes of such Series and Class or Sub-class will become Pass-through Notes. Furthermore, on the relevant Step-up Date and on each Note Payment Date thereafter the Issuer will have the option to redeem all of the Notes of a Series and Class, or, as the case may be, Sub-class (other than the Class E Notes), but not some only, at their Principal Amount Outstanding, subject to Condition 9(b) and, in respect of the Subordinated Notes, subject to the Repayment Test.

Pass-through Notes will be subject to (partial) mandatory redemption, if the Pro-rata Condition is satisfied, on a *pro rata* basis, and, if the Pro-rata Condition is not satisfied, on a sequential basis. On or after the occurrence of a Trigger Event, all Notes (other than the Class E Notes) will become Pass-through Notes and will be subject to mandatory redemption on a sequential basis.

The Issuer will have the option to redeem all of the Notes, but not some only, (i) for tax reasons or (ii) in case of a Regulatory Change affecting a Seller. Furthermore, the Issuer has a clean-up call option to redeem (i) all Notes or (ii) all Notes (other than the Class E Notes) of a Series and Class or Sub-class, if certain conditions are met.

In respect of the Class E Notes of a Series and Class or Sub-class, the Issuer will have the option to redeem such Notes on the relevant Step-up Date and on each Note Payment Date thereafter.

**Listing**

Application may be made for the Notes issued under the Programme to be admitted to trading Euronext Amsterdam by NYSE Euronext during the period of 12 months from the date of this Base Prospectus. Notes issued under the Programme may also be listed on any other stock exchange specified in the applicable Final Terms.

**Rating**

It is a condition precedent for each issue of a Series of Notes that the Class A Notes, on issue, be assigned at least a "AAA" rating by S&P, a "Aaa" rating by Moody's, a "AAA" rating by Fitch and a "AAA" rating by DBRS, the Class B Notes, on issue, be assigned at least a "AA" rating by S&P, a "Aa3" rating by Moody's, a "AA" rating by Fitch and a "AA" rating by DBRS, the Class C Notes, on issue, be assigned at least a "A" rating by S&P, a "A2" rating by Moody's, a "A" rating by Fitch and a "A" rating by DBRS, the Class D Notes, on issue, be assigned at least a "BBB" rating by S&P, a "Baa2" rating by Moody's, a "BBB" rating by Fitch and a "BBB" rating by DBRS.

**Risk factors**

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

## RISK FACTORS

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

### RISK FACTORS REGARDING THE MORTGAGE LOANS

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

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

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

Payments made by a Borrower to a Seller prior to notification, but after bankruptcy or suspension of payments (or emergency regulations, if applicable) in respect of such Seller having been declared, will be part of that Seller's bankruptcy estate. In respect of these payments, the Issuer will be a creditor of the estate ("*boedelschuldeiser*") and will receive payment prior to (unsecured) creditors with ordinary claims, but after preferred creditors of the estate.

#### **Risk that the Bank Security Rights will not follow the Mortgage Receivables upon assignment to the Asset Purchasers**

Part of the mortgage deeds relating to the Mortgage Receivables to be sold by each Seller to the relevant Asset Purchaser provide that the mortgage rights ("*hypotheekrechten*") created pursuant to such mortgage deed, not only secure the loan granted to the Borrower for the purpose of acquiring the Mortgaged Assets, but also other liabilities and monies that the Borrower, now or in the future may owe to the relevant Seller ("*bankhypotheken*" hereinafter '**Bank Mortgages**'). The remaining part of the Mortgage Receivables to be sold by a Seller to the relevant Asset Purchaser will be secured by mortgage rights created under a mortgage deed in which the Borrower has given security over the Mortgaged Asset in excess of the amount of the initial Mortgage Loan and it is likely that such mortgage rights should be regarded as "*krediethypotheken*" ('**Credit Mortgages**'). In the mortgage deeds or in separate deeds of pledge, rights of pledge ("*pandrechten*") have been vested in favour of the relevant Seller on certain assets, such as (i) the rights under any Insurance Policies (see *Risk that Borrower Insurance Pledges will not be effective* below) and (ii) the investment accounts (see *Risks related to Investment Mortgage Loans* below). These pledges secure similar debts as the Bank Mortgages (the '**Bank Pledges**') or as the Credit Mortgages (the '**Credit Pledges**') (the Bank Mortgages and the Bank Pledges, together the '**Bank Security Rights**' and the Credit Mortgages

and the Credit Pledges, together the '**Credit Security Rights**'). The comments set out below in respect of Bank Security Rights apply *mutatis mutandis* to Credit Security Rights.

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

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

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

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

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

With respect to Mortgage Loans originated by Fortis Hypotheek Bank N.V. after 1 October 2005, the general conditions (which are incorporated by reference in the Mortgage Deed) should probably be interpreted as such that, if a Mortgage Receivable assigned to a third party, the Bank Security Right will follow the Mortgage Receivable that is assigned. If this provision should be interpreted in such manner, this provision is an indication of the intentions of the parties in respect of assignment of the Mortgage Receivable. The Issuer has been advised that, provided that there are no additional circumstances which would result in the mortgage deed being interpreted in a different manner, the inclusion of such a provision, whether or not by reference, makes clear that the Bank Security Right (partially) follows the Mortgage Receivable as an ancillary right upon assignment of such Mortgage Receivable. However, there is no case law explicitly supporting this analysis.

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

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



If the Bank Security Rights have (partially) followed the Mortgage Receivables upon their assignment, the Bank Mortgage would be jointly-held by the relevant Asset Purchaser and the relevant Seller and would secure both the Mortgage Receivables held by the relevant Asset Purchaser (or the Security Trustee, as pledgee) and any claims held by the relevant Seller on the same Borrowers (the '**Other Claims**').

In case the Bank Security Rights are jointly-held by both the Asset Purchaser or the Security Trustee and the relevant Seller the rules applicable to a joint estate ("*gemeenschap*") apply. The Netherlands Civil Code provides for various mandatory rules applying to such jointly-held rights. In the relevant Asset Purchaser Mortgage Receivables Purchase Agreement the relevant Seller, the relevant Asset Purchaser and the Security Trustee will agree that the relevant Asset Purchaser and/or the Security Trustee (as applicable) will manage and administer such jointly-held rights. It is uncertain whether the foreclosure of the mortgage rights will be considered as day-to-day management, and, consequently the consent of the relevant Sellers bankruptcy trustee (in case of bankruptcy) or administrator (in case of emergency regulations) may be required for such foreclosure. Each Seller, each Asset Purchaser and/or the Security Trustee (as applicable) will agree that in case of foreclosure the share ("*aandee*") in each jointly-held mortgage right of the Security Trustee and/or the relevant Asset Purchaser will be equal to the Outstanding Principal Amount of the Mortgage Receivable, increased with interest and costs, if any, and the share of the relevant Seller will be equal to the Net Proceeds less the Outstanding Principal Amount, increased with interest and costs, if any. The Issuer has been advised that although a good argument can be made that this arrangement will be enforceable against the relevant Seller or, in case of its bankruptcy or emergency regulations, its trustee ("*curator*") or administrator ("*bewindvoerder*"), as the case may be, this is not certain. Furthermore, it is noted that this arrangement may not be effective against the Borrower.

Each Seller will undertake that, if at any moment it shall grant or acquire any Other Claims on a Borrower, other than a Further Advance, it shall, to further secure the obligations under the arrangement set out above, have an obligation to pledge, upon the occurrence of an Asset Purchaser Assignment Notification Event relating to the relevant Seller, the Other Claims, if any, in favour of the relevant Asset Purchaser and the Security Trustee. Such pledge (if vested) will secure the claim of the relevant Asset Purchaser and/or the Security Trustee on the relevant Seller created for this purpose equal to the share of the relevant Seller in the foreclosure proceeds in relation to a defaulted Borrower, which claim becomes due and payable upon a default of the relevant Borrower.

In case the Mortgage Receivable is originated by a lender other than the relevant Seller and is secured by a Bank Security Right, the above applies *mutatis mutandis*. In such case the Seller undertakes that the original lender will enter into an intercreditor agreement with the Asset Purchaser or shall procure that the original lender shall not grant or acquire any Other Claims on a Borrower, other than a Further Advance which is sold to the relevant Seller and immediately sold and assigned to the relevant Asset Purchaser.

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

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

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

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

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

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

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

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

Claims of a Borrower against a Seller could, *inter alia*, result from current account balances or deposits made by such Borrower. In this respect, Fortis Hypotheek Bank N.V. has represented that (i) it owes no amounts to a Borrower under a current account relationship and (ii) no deposits have been accepted by it from any Borrower, other than Construction Amounts on the Programme Closing Date. Claims of a Borrower on Fortis Bank (Nederland) N.V., may result from deposits made by such Borrower with Fortis Bank (Nederland) N.V. under the terms of the relevant Mortgage Loan, such as Construction Amounts, a savings account ("*meerkeuze spaarrekening*"), premium deposits ("*premiëdepots*") and deposits intended to mitigate housing expenses ("*woonlastenverlagingsdepots*"). Also, such claims of a Borrower or a Seller can, *inter alia*, result from services rendered by such Seller to the Borrower, such as investment advice or investment management services in connection with Investment Mortgage Loans rendered by such Seller or for which such Seller is responsible.

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

All rights of a Borrower under the Insurance Policies have been pledged to each relevant Seller (the '**Borrower Insurance Pledge**'). The Issuer has been advised that it is probable that the right to receive payment, including the commutation payment ("*afkoopsum*"), under the Insurance Policies will be regarded by a Netherlands court as a future right. The pledge of a future right is, under Netherlands law, not effective if the pledgor is declared bankrupt, granted a suspension of payments or is subject to emergency regulations, prior to the moment such right comes into existence. This means that it is uncertain whether such pledge will be effective. See also *Risk that the Bank Security Rights will*

*not follow the Mortgage Receivables upon assignment to the Asset Purchasers.*

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

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

With a view to the event that no Borrower Insurance Proceeds Instruction is given and the assignment and pledge of the Beneficiary Rights is not effective, each Asset Purchaser and the Security Trustee will enter into a beneficiary waiver agreement (the '**Asset Purchaser Beneficiary Waiver Agreement**') with each Seller and the Fortis Insurance Companies under which the relevant Seller, subject to the condition precedent of the occurrence of an Asset Purchaser Assignment Notification Event waives its rights as beneficiary under the Insurance Policies and appoints as first beneficiary (i) the relevant Asset Purchaser subject to the dissolving condition of the occurrence of an Asset Purchaser Pledge Notification Event relating to the Asset Purchaser and (ii) the Security Trustee under the condition precedent of the occurrence of an Asset Purchaser Pledge Notification Event relating to the Asset Purchaser. It is, however, uncertain whether such waiver and unlikely that such appointment will be effective. In the event that such waiver and appointment are not effective in respect of the Insurance Policies, the relevant Seller and the relevant Fortis Insurance Companies will undertake in the relevant Asset Purchaser Beneficiary Waiver Agreement that upon the occurrence of an Asset Purchaser Assignment Notification Event, they will use their best efforts to terminate the appointment of such Seller as beneficiary under the Insurance Policies and to appoint the relevant Asset Purchaser or the Security Trustee, as the case may be, as first beneficiary under the Insurance Policies.

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

If (i) the relevant Asset Purchaser or the Security Trustee, as the case may be, has not become beneficiary of the Insurance Policies and (ii) the assignment and pledge of the Beneficiary Rights are not effective and (iii) the waiver of the Beneficiary Rights is not effective, any proceeds under the Insurance Policies will be payable to the relevant Seller or to another beneficiary, instead of the relevant Asset Purchaser or the Security Trustee, as the case may be. If the proceeds are paid to a Seller, it will pursuant to the relevant Asset Purchaser Mortgage Receivables Purchase Agreement be obliged to pay the amount involved to the relevant Asset Purchaser or the Security Trustee, as the case may be. If the proceeds are paid to a Seller and this Seller does not pay the amount involved to the relevant Asset Purchaser or the Security Trustee, as the case may be, for example in the case of bankruptcy of the Seller, or if the proceeds are paid to another beneficiary instead of the relevant Asset Purchaser or the Security Trustee, as the case may be, this may result in the amount paid under the Insurance Policies not being applied in reduction of the Mortgage Receivable. This may lead to the Borrower invoking set-off or defences against the relevant Asset Purchaser or the Security Trustee, as the case may be, for the amounts so received by the relevant Seller or another beneficiary, as the case may be.

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

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

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

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

Set-off vis-à-vis an Asset Purchaser after notification of the assignment (or the Security Trustee after notification of the pledge) would be subject to the additional requirements for set-off after assignment being met (see *Set-off by Borrowers may affect the proceeds under the Mortgage Receivables*). The Issuer has been advised that (one of) these requirements is likely to be met, since it is likely that the Mortgage Loans and the Insurance Policies are to be regarded as one legal relationship, except in the case of certain Life Mortgage Loans granted by Fortis Bank (Nederland) N.V. to which a Life Insurance Policy with an Insurance Company not being a group company of Fortis Bank (Nederland) N.V. is connected. If the Mortgage Loan and the Insurance Policy is regarded as one legal relationship the assignment of the Mortgage Receivables will not interfere with the set-off.

Even if the Borrowers cannot assert a right of set-off, they may assert defences vis-à-vis the relevant Seller, the relevant Asset Purchaser and/or the Security Trustee. The Borrowers could - *inter alia* - argue that it was the intention of the parties involved, or at least argue that the Borrowers could rightfully interpret the mortgage documentation and the promotional materials in such a manner, that the Mortgage Receivable and the relevant Insurance Policy are to be regarded as one inter-related legal relationship and could on this basis claim a right of annulment or dissolution of the Mortgage Loans or possibly suspension of their obligations thereunder or, alternatively, claim 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. Also, a defence could be based upon principles of reasonableness and fairness ("*redelijkheid en billijkheid*") in general, i.e. that it is contrary to principles of reasonableness of fairness for the Borrower to be obliged to repay the

Mortgage Receivable to the extent that he has failed to receive the proceeds of the Insurance Policy. The Borrowers could also base a defence on "error" ("*dwaling*"), i.e. that the Mortgage Loan and the Insurance Policy were entered into as a result of error. If this defence would be successful, this could lead to annulment of the Mortgage Loan, which would have the result that the relevant Asset Purchaser no longer holds a Mortgage Receivable.

#### *Life Mortgage Loans*

In respect of Life Mortgage Loans to which Life Insurance Policies with any of the Fortis Insurance Companies are connected, the Issuer has been advised that, in view of the factual circumstances involved, the possibility cannot be disregarded that the courts will honour set-off or defences by Borrowers, as described above, if in case of bankruptcy or emergency regulations of any of the Fortis Insurance Companies the Borrowers/insured will not be able to recover their claims under their Life Insurance Policies.

Fortis Bank (Nederland) N.V. has represented that in respect of the Life Mortgage Loans to which a Life Insurance Policy is connected with an Insurance Company which is not a group company of Fortis Bank (Nederland) N.V., the Life Mortgage Loans and the Life Insurance Policy are in its or the Insurance Company's promotional materials not offered as one product under one name, and (ii) the Borrowers are not obliged to enter into the Life Insurance Policy with an Insurance Company which is a group company of Fortis Bank (Nederland) N.V. The Issuer has been advised that in these cases it is unlikely that a court would honour set-off or defences of the Borrowers as described above. However, if the relevant Insurance Company is a group company of Fortis Bank (Nederland) N.V., the Issuer has been advised that in the case of these Life Mortgage Loans the possibility cannot be disregarded that the courts will honour set-off or defences by the Borrower.

#### *Hybrid Mortgage Loans*

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

#### *Savings Mortgage Loans*

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

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

In respect of Savings Mortgage Loans sold by Fortis Bank (Nederland) N.V. under which the Savings Insurance Policy is taken out with REAAL Levensverzekeringen N.V., Levob Levensverzekering N.V. or Robein Leven N.V. and Hybrid Savings Mortgage Loans, Fortis Bank (Nederland) N.V. instead of the relevant Insurance Companies, will act as Savings Participant. Fortis Bank (Nederland) N.V. will agree to pay all amounts scheduled to be received by the relevant Insurance Companies as Savings Premia to the relevant Asset Purchaser under the relevant Asset Purchaser Sub-participation Agreement. The Issuer has been advised that if Fortis Bank (Nederland) N.V. no longer pays these Savings Premia to the relevant Asset Purchaser (for instance, in case it is declared bankrupt or subject to emergency regulations), whereas the Borrowers continue to pay under the relevant Savings Insurance Policies or Hybrid Savings Insurance Policies, as the case may be, for such Savings Premia paid by the Borrowers the protection afforded by the Asset Purchaser Sub-participation Agreement against the risk of set-off or defences (as described above) no longer applies to the relevant Savings Mortgage Loan and Hybrid Savings Mortgage Loans.

In respect of part of the Savings Mortgage Loans no Asset Purchaser Sub-Participation Agreement has been entered into with the relevant Insurance Companies or Fortis Bank (Nederland) N.V. as Savings Participant and, consequently, the protection afforded by the Asset Purchaser Sub-Participation Agreement does not apply to these Savings Mortgage Loans.

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

The Sellers have represented that under the Investment Mortgage Loans the investments are effected by the Borrowers through a bankruptcy remote securities giro and that these securities are administered by Fortis Bank (Nederland) N.V. or, as the case may be, Fortis ASR Bank N.V. (i) through a separate depository vehicle or (ii) these securities qualify as securities regulated under the Dutch Securities Giro Transfer act ("*Wet giraal effectenverkeer*"). The Issuer has been advised that on the basis of this representation the relevant investments should be effectuated on a bankruptcy remote basis and that, in respect of these investments, the risk of set-off or defences by the Borrowers should not become relevant in this respect. However, if this is not the case and the investments were to be lost, this may lead to the Borrowers trying to invoke set-off rights or defences against the Issuer on similar grounds as discussed under *Risk of Set-off and defences by Borrowers in case of insolvency of Insurance Companies*.

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

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

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

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

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

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

#### **Risks related to offering of Investment Mortgage Loans, Hybrid Insurance Policies and Life Mortgage Loans with Unit-Linked Life Insurance Policies connected to it**

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

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

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

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

If Unit-Linked Life Insurance Policies or Hybrid Insurance Policies related to the Mortgage Loans would for the reasons described in this paragraph be dissolved or nullified, this will affect the collateral granted to secure these Mortgage Loans (the Borrower Insurance Pledges and the Beneficiary Rights would cease to exist). The Issuer has been

advised that in such case the Mortgage Loans connected thereto can possibly also be dissolved or nullified, but that this will depend on the particular circumstances involved. Even if the Mortgage Loan is not affected, the Borrower/insured may invoke set-off or other defences against the Asset Purchasers. The analysis in that situation is similar to the situation in case of insolvency of the insurer (see *Risk of set-off and defences by Borrowers in case of insolvency of Insurance Companies*), except if the relevant Seller is itself liable, whether jointly with the insurer or separately, vis-à-vis the Borrower/insured. In this situation, which may depend on the involvement of the relevant Seller in the marketing and sale of the insurance policy, set-off or defences against the Asset Purchasers could be invoked, which will probably only become relevant if the insurer and/or the relevant Seller will not indemnify the Borrower. Any such set-off or defences may lead to losses under the Notes.

#### **Risk related to the Construction Amounts being set-off with the Mortgage Receivable**

Pursuant to the Mortgage Conditions of each Seller, the Borrowers have the right to request to withhold a Construction Amount on deposit. Such amount will be paid out in case certain conditions are met. Each Asset Purchaser and the relevant Seller will agree in the relevant Asset Purchaser Mortgage Receivables Purchase Agreement that the Asset Purchaser will be entitled to withhold from the relevant Initial Purchase Price an amount equal to the aggregate Construction Amounts. Such amount will be deposited on the relevant Construction Account. On each relevant Note Payment Date, the relevant Asset Purchaser will release from the relevant Construction Account such part of the Initial Purchase Price which equals the difference between the aggregate Construction Amounts relating to the relevant Mortgage Receivables and the balance standing to the credit of the relevant Construction Account and pay such amount to the relevant Seller.

Construction Amounts have to be paid out after the building activities or renovation activities have been finalised. Upon the expiry of such period, the remaining Construction Amount will be set-off against the relevant Mortgage Receivable up to the amount of the Construction Amount, in which case the relevant Asset Purchaser shall have no further obligation towards the relevant Seller to pay the remaining part of the relevant Initial Purchase Price, and consequently any remaining part of the amounts of the relevant Construction Account will be used for redemption of the Notes. If an Asset Purchaser Assignment Notification Event set out under (e) (see *Asset Purchaser Mortgage Receivables Purchase Agreements*) has occurred, the relevant Asset Purchaser will no longer be under the obligation to pay such remaining part of the relevant Initial Purchase Price. The amount for which the Borrower can invoke set-off or defences may, depending on the circumstances, exceed the amount of the Construction Amount.

#### **Risk regarding assignment and pledge of Mortgage Receivables relating to Construction Amounts**

Under Netherlands law the distinction between "existing" ("*bestaande*") receivables and "future" ("*toekomstige*") receivables is relevant. If receivables are to be regarded as future receivables, an assignment and/or pledge thereof will not be effective to the extent the receivable comes into existence after or on the date on which the assignor or, as the case may be, the pledgor has been declared bankrupt or granted a suspension of payments (emergency regulations). If, however, receivables are to be considered as existing receivables, the assignment and pledge thereof are not affected by the bankruptcy or suspension of payments (emergency regulations) of the assignor/pledgor. The Issuer has been advised that based on case law and legal literature uncertainty remains whether on the basis of the applicable terms and conditions the part of the Mortgage Receivables relating to the Construction Amounts are considered to be existing receivables. It could be argued that such part of the Mortgage Loan concerned comes into existence only when and to the extent the Construction Amount is paid out. If the part of the Mortgage Receivable relating to the Construction Amount is to be regarded as a future receivable, the assignment and/or pledge of such part will not be effective if the Construction Amount is paid out on or after the date on which the relevant Seller is declared bankrupt or has become subject to emergency regulations.

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

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

Under Dutch law it is possible to validly assign or create a valid right of pledge on receivables without notification to



the Borrower, provided that the receivable (i) already exists at the time of the assignment or the right of pledge is established or (ii) will be directly acquired pursuant to a legal relationship already existing at that time. The Issuer has been advised that an undisclosed assignment or pledge in advance of claims arisen out of future drawings of the Borrower under a revolving credit facility might not result from a legal relationship already existing at that time. Advances under a Revolving Credit Mortgage Loan may not automatically be transferred on the date these come into existence. In view hereof, in respect of Revolving Credit Mortgage Loans Fortis Bank (Nederland) N.V. will in the relevant Asset Purchaser Mortgage Receivables Purchase Agreement agree to transfer on each Monthly Payment Date or on each Mortgage Payment Date the Outstanding Principal Amount of each Revolving Credit Mortgage Loan at such time.

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

In some cases the Borrower may have agreed up-front not to pay interest under its Revolving Credit Mortgage Loan and that the interest not paid will be administered on in the balance of the Revolving Credit Mortgage Loan up to a certain maximum amount. The Issuer has been informed that Fortis Bank (Nederland) N.V. will in such case pay an amount equal to the increase of the Revolving Credit Mortgage Loan resulting from the debiting of the interest, which is equal to the interest that would have been paid by the Borrower to Fortis Bank (Nederland) N.V. if such amount was not administrated in the balance of the Revolving Credit Mortgage Loan, to the relevant Asset Purchaser. The increase of the Revolving Credit Mortgage Loan, will be treated as a Further Advance.

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

Part of the Mortgage Receivables sold and assigned to the Asset Purchasers relate to Mortgage Loans which have been originated by group companies of Fortis Bank (Nederland) N.V. which have subsequently merged into Fortis Bank (Nederland) N.V. or originated by other Originators and subsequently transferred (by way of assignment or otherwise) to Fortis Bank (Nederland) N.V. or Fortis Hypotheek Bank N.V. The Issuer has been advised that in case of such merger or transfer (other than by means of assignment) it is not certain whether any Further Advances granted, or to be granted, by Fortis Bank (Nederland) N.V. after any such merger or transfer are validly secured by the mortgage right and borrower pledges vested in favour of the original lender (which in case of a merger has ceased to exist as a result of the merger). For this question it is relevant, inter alia, whether the Further Advance resulted from the same legal relationship as the Mortgage Loan or whether it constitutes a new legal relationship. In case a Mortgage Receivable is assigned by the Originator to the relevant Seller, a Further Advances will only be validly secured if it is granted by the Originator (and not the Seller) and subsequently assigned to such Seller. If a Further Advance Receivable is not validly secured by a mortgage right, this constitutes a breach of the representations and warranties granted by Fortis Bank (Nederland) N.V., resulting in an obligation of Fortis Bank (Nederland) N.V. to repurchase the relevant Further Advance Receivable.

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

There is no guarantee that the characteristics of any new Mortgage Receivables assigned to the relevant Asset Purchaser will have the same characteristics as the Mortgage Receivables as of the first purchase, in particular, new Mortgage Loans may have different payment characteristics from the Mortgage Loans assigned to the Asset Purchaser as of the first purchase. If a new Asset Purchaser accedes to the Programme, it is unlikely that new Mortgage Receivables sold to such new Asset Purchaser will have the same characteristics as the Mortgage Receivables sold prior to such date. The ultimate effect of this could be to delay or reduce the payments on the Notes or to increase the rate of repayment of the Notes.

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

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

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

The Issuer has been advised that a good argument can be made that the right to reset the interest rate on the Mortgage Loans should be considered as an ancillary right and follows the Mortgage Receivables upon their assignment to the relevant Asset Purchaser and the pledge to the Security Trustee. However, in the absence of case law or legal literature this is not certain. To the extent the interest rate reset right passes upon the assignment of the Mortgage Receivables to the relevant Asset Purchaser or upon the pledge of the Mortgage Receivables to the Security Trustee, such assignee or pledgee will be bound by the contractual provisions relating to the reset of interest rates. If the interest reset right remains with the relevant Seller, the co-operation of the receiver (in bankruptcy) or administrator (in suspension of payments) would be required to reset the interest rates. Losses on the Mortgage Receivables could lead to losses under the IC Loans and therefore to losses under the Notes.

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

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

**RISK FACTORS REGARDING THE ASSET PURCHASERS**

**Each Asset Purchaser has limited resources available to meet its obligations**

The ability of an Asset Purchaser to meet its obligations in full to pay the principal and interest on the IC Loans will be dependent on the receipt by it of funds under the relevant Mortgage Receivables, the proceeds of the sale of Mortgage Receivables, the receipt by it of payments under the relevant Asset Purchaser Cashflow Swap Agreement and the receipt by it of interest in respect of the balance standing to the credit of the relevant Asset Purchaser Accounts (other than on the Construction Account). See further *Credit Structure Asset Purchasers*.

**The Asset Purchasers have counterparty risk exposures**

Counterparties to an Asset Purchaser may not perform their obligations under the Relevant Asset Purchasers Documents (as defined in the Conditions), which may result in an Asset Purchaser not being able to meet its obligations under the relevant IC Loan Agreement. In respect of obligations of Fortis Hypotheek Bank N.V. and Fortis Bank (Nederland) N.V. reference is made to the section *Risk of withdrawal of, or termination of liability under the 403-Declarations*.

**License requirement under the Act on Financial Supervision**

Under the Act on Financial Supervision ("*Wet op het financieel toezicht*" or "*Wft*") as amended from time to time, which

entered into force on 1 January 2007, a special purpose vehicle which services ("*beheert*") and administers ("*uitvoert*") loans granted to consumers, such as an Asset Purchaser, must have a license under that Act. An exemption from the license requirement is available, if the special purpose vehicle outsources the servicing of the loans and the administration thereof to an entity holding a license under the Act on Financial Supervision. Each Asset Purchaser has outsourced the servicing and administration of the Relevant Mortgage Loans to the relevant Pool Servicer. The current Pool Servicers (Fortis Bank Nederland N.V. and Fortis Hypotheek Bank N.V.) are duly licensed to act as intermediary ("*bemiddelaar*") and offeror ("*offeror*") under the Act on Financial Supervision and the Asset Purchasers thus benefit from the exemption. However, if a relevant Asset Purchaser Servicing Agreement is terminated, the relevant Asset Purchaser will need to outsource the servicing and administration of the Relevant Mortgage Loans to another licensed entity or it needs to apply for and hold a license itself. In the latter case, the Asset Purchaser will have to comply with the applicable requirements under the Act on Financial Supervision. If an Asset Purchaser Servicing Agreement is terminated and the Asset Purchaser has not outsourced the servicing and administration of the Relevant Mortgage Loans to a licensed entity and, in such case, it will not hold a license itself, the Asset Purchaser will have to terminate its activities and settle ("*afwikkelen*") its existing agreements.

#### **Risk related to the termination of the Asset Purchaser Cashflow Swap Agreements**

There will be a difference between the rate of interest to be received by the relevant Asset Purchaser on the Mortgage Receivables and the rate of interest payable by the relevant Asset Purchaser on the relevant IC Loans. To mitigate this risk, each Asset Purchaser will enter into Asset Purchaser Cashflow Swap Agreements in respect of each IC Loan Agreement. The Asset Purchaser Swap Counterparty will be obliged to make payments under each Asset Purchaser Cashflow Swap Agreement without any withholding or deduction of taxes unless required by law. If any such withholding or deduction is required by law, the Asset Purchaser Swap Counterparty will be required to pay such additional amount as is necessary to ensure that the net amount actually received by the relevant Asset Purchaser will equal the full amount that the relevant Asset Purchaser would have received had no such withholding or deduction of taxes been required. The relevant Asset Purchaser Cashflow Swap Agreement will provide, however, that if due to (i) action taken by a relevant taxing authority or brought in a court of competent jurisdiction, or (ii) any change in tax law, in both cases after the date of the Asset Purchaser Cashflow Swap Agreement, the Asset Purchaser Swap Counterparty will, or there is a substantial likelihood that it will, be required to pay to the Asset Purchaser additional amounts for or on account of tax (a '**Tax Event**'), the Asset Purchaser Swap Counterparty may (with the consent of the relevant Asset Purchaser and provided that the then current rating of any of the Notes will not be downgraded below the Minimum Ratings or, if the then current ratings are below the Minimum Ratings, the then current ratings will not be adversely affected) transfer its rights and obligations to another of its offices, branches or affiliates to avoid the relevant Tax Event.

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

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

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

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

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

The Noteholders will not have any right of prior review or consent before the Issuer enters into any additional IC Loan Agreements with new Asset Purchasers and advance new IC Loans or the corresponding issuance of Notes by the Issuer. Similarly, the terms of the Relevant Asset Purchaser Documents and the criteria for new IC loans to such Asset Purchaser may be amended to reflect the accession of the new Asset Purchaser. The consent of the Noteholders to these changes will not be required. There can be no assurance that these changes will not affect the cashflow available to pay amounts due on the Notes. Before entering into such IC Loan Agreements, the new Asset Purchaser will be required to satisfy a number of conditions, including that the then current ratings of the Notes will not be downgraded below the Minimum Ratings or such ratings are withdrawn or qualified at the time of the accession of a new Asset Purchaser.

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

Under the 403-Declarations the 403-Guarantor is jointly and severally liable for the debts resulting from legal acts of Fortis Hypotheek Bank N.V. as Asset Purchaser Cashflow Swap Provider, and of Fortis Bank (Nederland) N.V. as Asset Purchaser Cashflow Swap Provider, Asset Purchaser GIC Provider and Issuer GIC Provider.

The 403-Guarantor will not be a party to any Asset Purchaser Cashflow Swap Agreements, Asset Purchaser GICs or the Issuer GIC. In order to enhance the chances that in case of a default by Fortis Hypotheek Bank N.V. or Fortis Bank (Nederland N.V.) acting as Asset Purchaser Cashflow Swap Counterparty under the relevant Asset Purchaser Cashflow Swap Agreement, and by Fortis Bank (Nederland) N.V. as Asset Purchaser GIC Provider under the relevant Asset Purchaser GICs and as Issuer GIC Provider under the Issuer GIC, the 403-Guarantor timely pays any debts hereunder in accordance with the 403-Declarations, the 403-Guarantor will be notified at closing of each Asset Purchaser Cashflow Swap Agreement and the Issuer GIC and each Asset Purchaser GIC and the payment obligations thereunder, including the timing thereof. Furthermore, in the Asset Purchaser Servicing Agreements, the Asset Purchaser Administrators and in the Issuer Administration Agreement, the Issuer Administrator, respectively, shall undertake to inform the 403-Guarantor in case of a default or a threatened default by Fortis Hypotheek Bank N.V. or Fortis Bank Nederland N.V. under the relevant Asset Purchaser Cashflow Swap Agreement or by Fortis Bank (Nederland) N.V. under the relevant Asset Purchaser GIC or the Issuer GIC immediately of such a default or threatened default and of the amounts and dates of payments to be made by the 403-Guarantor under the 403-Declarations in respect of these agreements.

The 403-Guarantor will have the right to withdraw the 403-Declarations at any time by depositing a declaration to this effect with the Commercial Register of the relevant Chamber of Commerce in Rotterdam or Utrecht. The Issuer has been advised that in case of such withdrawal it is uncertain whether the 403-Guarantor will continue to be jointly and severally liable for all debts resulting from each Asset Purchaser Cashflow Swap Agreement, the Issuer GIC and each Asset Purchaser GIC and, therefore, in case of the withdrawal of the 403-Declaration by the 403-Guarantor, the Issuer and the Asset Purchasers will be obliged to take the steps as described in *Credit Structure Issuer* and in the *Credit Structure Asset Purchaser*. The 403-Guarantor has undertaken to inform the Issuer, the Asset Purchasers, the Issuer Administrator, the Asset Purchaser Administrator and the Security Trustee at least thirty (30) days prior to the withdrawal of any of the 403-Declarations.

The 403-Guarantor can also file a notice of its intention to terminate its remaining liability after withdrawal of the 403-Declarations. Such remaining liability will terminate if certain conditions are met, *inter alia*, that (i) the relevant company no longer belongs to the same group of companies as the 403-Guarantor and (ii) a two (2) month notice period has expired and the relevant creditor has not opposed the intention to terminate in time or such opposition was dismissed by the court. The 403-Guarantor has undertaken to inform the Issuer, the Asset Purchasers, the Security

Trustee, the Issuer Administrator and the Asset Purchaser Administrators at least thirty (30) days prior to the filing of its intention to terminate its remaining liability under the 403-Declarations.

#### **Excess Margin on Asset Purchaser Level**

Each Asset Purchaser Cashflow Swap Agreement shall be entered into at the level of the relevant Asset Purchaser and not at the level of the Issuer. Therefore, amounts received under the relevant Asset Purchaser Cashflow Swap Agreement, in particular the Excess Margin, shall only be available to make up for a shortfall in payments under the Mortgage Receivables purchased by such Asset Purchaser and shall not be available to make up for a shortfall in payments under the Mortgage Receivables purchased by other Asset Purchasers.

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

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

The ability of the Issuer to meet its obligations in full to pay principal and interest on the Notes will be dependent on the receipt by it of funds under the IC Loans, the receipt by it of payments under any Issuer Currency Swap Agreement and the receipt by it of interest in respect of the balance standing to the credit of the Issuer Accounts. In addition, the Issuer will have available to it the balances standing to the credit of the Issuer Reserve Account. See further *Credit Structure Issuer*.

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

Counterparties to the Issuer may not perform their obligations under the Relevant Documents (as defined in the Conditions), which may result in the Issuer not being able to meet its obligations. In respect of obligations of Fortis Hypotheek Bank N.V. and Fortis Bank (Nederland) N.V. reference is made to the section *Risk of withdrawal of, or termination of liability under, the 403-Declarations*.

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

Under or pursuant to the Pledge Agreements, various Dutch law pledges will be granted by the Asset Purchasers and the Issuer to the Security Trustee. On the basis of these pledges the Security Trustee can exercise the rights afforded by Netherlands law to pledgees as if there were no bankruptcy or suspension of payments of the Asset Purchasers and the Issuer. The Asset Purchasers and the Issuer are special purpose vehicles and are therefore unlikely to become insolvent. However, any bankruptcy or suspension of payments involving the Asset Purchasers and the Issuer would affect the position of the Security Trustee as pledgee in some respects, the most important of which are: (i) payments made by any Borrower to the relevant Asset Purchaser prior to notification but after bankruptcy or suspension of payments will be part of the bankruptcy estate of the relevant Asset Purchaser, although the Security Trustee has the right to receive such amounts by preference after deduction of certain costs, (ii) a mandatory 'cool-off' period of up to four months may apply in case of bankruptcy or suspension of payments involving the Issuer or any Asset Purchaser, which, if applicable would delay the exercise of the relevant right of pledge and (iii) the Security Trustee may be obliged to enforce its right of pledge within a reasonable period as determined by the judge-commissioner ("*rechter-commissaris*") appointed by the court in case of bankruptcy of the Issuer or any Asset Purchaser .

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

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

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

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

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

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

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

An Issuer Swap Counterparty will be obliged to make payments under the relevant Issuer Currency Swap Agreement without any withholding or deduction of taxes unless required by law. If any such withholding or deduction is required by law, the relevant Issuer Currency Swap Counterparty will be required to pay such additional amount as is necessary to ensure that the net amount actually received by the Issuer will equal the full amount that the Issuer would have received had no such withholding or deduction been required. The relevant Issuer Currency Swap Agreement will provide, however, that if a Tax Event occurs, the Issuer Swap Counterparty may (with the consent of the Issuer and provided that the rating of the Notes will not be downgraded below the Minimum Ratings or, if the then current rating is below the Minimum Ratings, the then current rating of any of the Notes will not adversely be affected) transfer its rights and obligations to another of its offices, branches or affiliates to avoid the relevant Tax Event.

Each Issuer Currency Swap Agreement will be terminable by one party in certain circumstances, including if (i) an event of default (as defined therein) occurs in relation to the other party, (ii) it becomes unlawful for either party to perform its obligations under the Issuer Currency Swap Agreement, or (iii) an Enforcement Notice is served. Events of default under the Issuer Currency Swap Agreement in relation to the Issuer will be limited to (i) non-payment under the Issuer Currency Swap Agreement, (ii) a merger or similar transaction with another entity or person without assumption of the Issuer's obligation under the Issuer Currency Swap Agreement and (iii) insolvency events.

Each Issuer Currency Swap Provider is obliged only to make payments under an Issuer Currency Swap Agreement as long as the Issuer makes timely payments thereunder. If such Issuer Currency Swap Provider is not obliged to make payments of, or if it defaults in its obligations to make payments of, amounts equal to the full amount scheduled to be paid to the Issuer on the dates for payment specified under the relevant Issuer Currency Swap Agreement or such Issuer Currency Swap Agreement is otherwise terminated, the Issuer will be exposed to changes in the exchange rates between Euro and the currency in which such Notes are denominated. As a consequence, the Issuer may have insufficient funds to make payments due on the applicable Series and Classes of Notes.

**RISK FACTORS REGARDING THE NOTES**

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

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

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

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

The Notes will be solely the obligations of the Issuer. The Notes will not be obligations or responsibilities of, or guaranteed by, any other entity or person, in whatever capacity acting, including, without limitation, the Arranger, any of the Asset Purchasers, the Sellers, the Pool Servicers, the Issuer Administrator, the Asset Purchaser Administrator, the Dealers, the GIC Provider, the Swap Counterparty, the Directors, the Paying Agents, the Reference Agent or the Security Trustee. Furthermore, none of the Asset Purchasers, the Sellers, the Pool Servicers, the Issuer Administrator, the Asset Purchaser Administrator, the Dealers, the GIC Provider, the Swap Counterparty, the Directors, the Paying Agents, the Reference Agent, the Security Trustee or any other person in whatever capacity acting, will accept any liability whatsoever to Noteholders in respect of any failure by the Issuer to pay any amounts due under the Notes. None of the Asset Purchasers, the Sellers, the Pool Servicers, the Issuer Administrator, the Asset Purchaser Administrator, the Dealers, the GIC Provider, the Swap Counterparties, the Directors, the Paying Agents, the Reference Agent or the Security Trustee will be under any obligation whatsoever to provide additional funds to the Issuer, save in the limited circumstances described in the *Credit Structure Asset Purchasers* and *Credit Structure Issuer*.

The Notes will, however, be indirectly guaranteed by the Asset Purchasers through a guarantee undertaken by each Asset Purchaser in the relevant Asset Purchaser Trust Agreement for the obligations of the Issuer under the Issuer Parallel Debt Agreement (which includes a Parallel Debt for the obligations of the Issuer to the Noteholders) to the Security Trustee.

**Risks related to prepayment on the Mortgage Loans and consequently the IC Loans**

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

of principal on the Mortgage Loans and thus on the IC Loans may affect each Series and each Class of Notes differently. The estimated average lives must therefore be viewed with considerable caution and Noteholders should make their own assessment thereof.

**Risk that the Issuer will not exercise its right to redeem the Notes at the Step-up Dates**

As a result of the possible switch to a floating rate of interest or an increase in the margin payable on and from the relevant Step-up Date in respect of the floating rate of interest on Notes of a Series and Class, or, as the case may be, a Sub-class, the Issuer may have an incentive to exercise its right to redeem such Notes, on the relevant Step-up Date or on any Note Payment Date thereafter. No guarantee can be given that the Issuer will actually exercise such right. The exercise of such right will, *inter alia*, depend on the ability of the Issuer to have sufficient funds available to redeem the relevant Notes, and, in respect of the Subordinated Notes, on the satisfaction of the Repayment Test.

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

To the extent set forth in Condition 9, (a) all Class B, Class C, Class D and Class E Notes are subordinated in right of payment to all Class A Notes, (b) all Class C, Class D and Class E Notes are subordinated in right of payment to all Class A Notes and Class B Notes, (c) all Class D and Class E Notes are subordinated in right of payment to all Class A, Class B and Class C Notes, (d) all Class E Notes are subordinated in right of payment to all Class A Notes, Class B Notes, Class C Notes and Class D Notes, (all Class B, Class C, Class D and Class E Notes together the '**Subordinated Notes**'). With respect to any Class of Notes, such subordination is designed to provide credit enhancement to any Class of Notes with a higher payment priority than such Class of Notes.

If, upon default by the Borrowers and after exercise by the relevant Pool Servicer of all available remedies in respect of the applicable Mortgage Loans, the Asset Purchaser does not receive the full amount due from such Borrowers, and the Issuer as a consequence thereof does not receive the full amount due from such Asset Purchaser under an IC Loan, the relevant Noteholders may receive by way of principal repayment on the Notes of the relevant Series and Class of Notes an amount less than the Principal Amount Outstanding of their Notes and the Issuer may be unable to pay in full interest due on such Notes, to the extent set forth in Condition 9. On any relevant Note Payment Date, any Realised Losses on the Mortgage Loans will be allocated as described in *Credit Structure Asset Purchaser and Credit Structure Issuer* below.

**Risk resulting from Repayment Test**

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

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

In accordance with Condition 9(b), a Class B Note, a Class C Note, a Class D Note or a Class E Note may be redeemed with a Class B Principal Shortfall, a Class C Principal Shortfall, a Class D Principal Shortfall or a Class E Principal Shortfall. As a consequence a holder of a Class B Note, a Class C Note, a Class D Note or a Class E Note may not receive the full Principal Amount Outstanding of such Note on the due date for redemption.

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

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

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

The Issuer may change the percentage of subordination required for each Class of Notes, other than the Class E Notes (see *Issuance of Notes* below), or the method of calculating the required amount of subordination for such Class of Notes, at any time without the consent of any Noteholders if certain conditions are met, including confirmation



from each Rating Agency, other than Moody's, that the then-current ratings of any outstanding Notes will not be downgraded below the Minimum Ratings or, if the then current ratings are below the Minimum Ratings, the then current ratings will not be adversely affected by such change and, in respect of Moody's, Moody's is notified of such change.

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

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

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

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

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

There can be no assurance that a secondary market for the Notes will develop or, if a secondary market does develop, that it will provide Noteholders with liquidity of investment or that it will continue for the life of the Notes. To date, no underwriter has indicated that they intend to establish and/or maintain a secondary market in the Notes.

**Credit ratings may not reflect all risks**

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

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

**Notes held in global form**

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

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

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

Any Programme Resolution must be passed at a single meeting of the holders of all Notes (of a Class) of all Series then outstanding as set out in more detail in Condition 14 (Meetings of Noteholders, Modification; Consent; Waiver) and cannot be decided upon at a meeting of Noteholders of a single Series. A Programme Resolution will be binding on all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

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

Pursuant to the terms of the Issuer Trust Deed, the Security Trustee may agree without the consent of the Noteholders and the other Programme Secured Parties, to (i) any modification of any of the provisions of the Issuer Trust Deed, the Notes of any Series or any other Relevant Documents which is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Issuer Trust Deed, the Notes of any Series or any other Relevant Documents which is in the opinion of the Security Trustee not materially prejudicial to the interests of the Noteholders and the other Programme Secured Parties, provided that (i) the Security Trustee has notified the Rating Agencies and (ii) the Rating Agencies, other than Moody's, have confirmed that the then current ratings assigned to the Notes will not be downgraded below the Minimum Ratings or, if the then current ratings are below the Minimum Ratings, the then current ratings will not be adversely affected by any such modification, authorisation or waiver. Any such modification, authorisation or waiver shall be binding on the Noteholders and other Programme Secured Parties.

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

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

**Series of Notes**

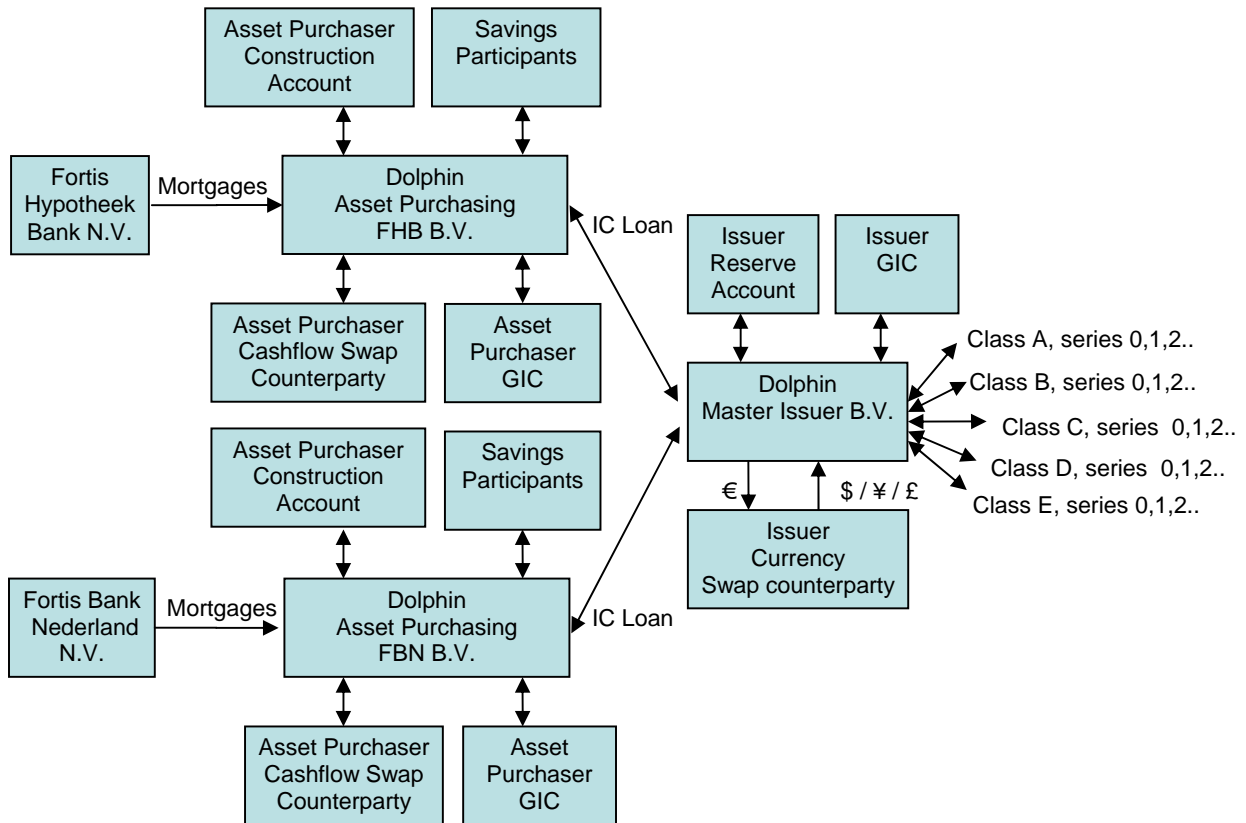
Notes issued under the Programme will either be fungible with an existing Series or have different terms to an existing Series (in which case they will constitute a new Series). All Notes of a Class (whether or not from the same Series or another Series) issued from time to time will rank *pari passu*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

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

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for investors. Some 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. Investors 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.

**STRUCTURE DIAGRAM**

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



## OVERVIEW OF THE PARTIES AND PRINCIPAL FEATURES OF THE PROGRAMME

The following is an overview of the principal features of the issue of the Notes. This overview should be read in conjunction with, and is qualified in its entirety by reference to, the detailed information presented elsewhere in this Base Prospectus.

### THE PARTIES:

#### On Asset Purchaser level:

#### Asset Purchasers :

Dolphin Asset Purchasing FBN B.V., incorporated under the laws of the Netherlands as a private company with limited liability ("*besloten vennootschap met beperkte aansprakelijkheid*"), which will exclusively purchase Mortgage Receivables from Fortis Bank (Nederland) N.V. and Dolphin Asset Purchasing FHB B.V., incorporated under the laws of the Netherlands as a private company with limited liability ("*besloten vennootschap met beperkte aansprakelijkheid*"), which will exclusively purchase Mortgage Receivables from Fortis Hypotheek Bank N.V. Each time a new Seller accedes to the Programme a new Asset Purchaser will accede to the Programme which will exclusively purchase Mortgage Receivables from such new Seller.

#### Sellers:

Fortis Hypotheek Bank N.V., incorporated under the laws of the Netherlands as a public company ("*naamloze vennootschap*") and Fortis Bank (Nederland) N.V., incorporated under the laws of the Netherlands as a public company ("*naamloze vennootschap*"). Any other seller of Mortgage Receivables may accede to the Programme as seller of mortgage receivables, provided that it is a (direct or indirect) subsidiary of Fortis N.V./S.A. and/or Fortis N.V. within the meaning of article 2:24a Netherlands Civil Code.

#### Asset Purchaser Administrator:

Fortis Intertrust (Netherlands) B.V., a private company with limited liability ("*besloten vennootschap met beperkte aansprakelijkheid*"), organised under the laws of the Netherlands and established in Amsterdam, the Netherlands.

#### Asset Purchaser Director:

ATC Management B.V., incorporated under the laws of the Netherlands as a private company with limited liability ("*besloten vennootschap met beperkte aansprakelijkheid*") in respect of each Asset Purchaser and all Asset Purchaser Directors together, the '**Asset Purchaser Directors**'

#### Asset Purchaser GIC Provider:

Fortis Bank (Nederland) N.V.

#### Asset Purchaser Cashflow Swap Counterparty:

Fortis Bank (Nederland) N.V., in respect of Dolphin Asset Purchasing FBN B.V., and Fortis Hypotheek Bank

N.V., in respect of Dolphin Asset Purchasing FHB B.V., and/or any further Asset Purchaser Cashflow Swap Counterparty who accedes to the Programme as Asset Purchaser Cashflow Swap Counterparty.

**Pool Servicer:**

Fortis Bank (Nederland) N.V., in respect of Dolphin Asset Purchasing FBN B.V., and Fortis Hypotheek Bank N.V., in respect of Dolphin Asset Purchasing FHB B.V., and/or any other Pool Servicer who accedes to the Programme as Pool Servicer.

**Savings Participants:**

(A) (i) each of Fortis ASR Levensverzekering N.V. and Interlloyd Levensverzekering Maatschappij N.V. in respect of Savings Mortgage Receivables sold by Fortis Bank (Nederland) N.V. and (ii) Fortis Bank (Nederland) N.V. in respect of (a) Savings Mortgage Receivables combined with a Savings Insurance Policy taken out with REAAL Levensverzekeringen N.V., Levob Levensverzekering N.V. and Robein Leven N.V. sold and assigned by Fortis Bank (Nederland) N.V. and (b) Hybrid Savings Mortgage Receivables sold and assigned by Fortis Bank (Nederland) N.V.; and

(B) each of Fortis ASR Levensverzekering N.V. and N.V. Amersfoortse Algemene Verzekering Maatschappij in respect of Savings Mortgage Receivables and Hybrid Savings Mortgage Receivables sold by Fortis Hypotheek Bank N.V.; and

(C) any other insurance company which has acceded to the Programme as Savings Participant.

**Fortis Insurance Companies:**

In respect of Life Mortgage Loans sold by Fortis Bank (Nederland) N.V., Fortis ASR Levensverzekering N.V., Interlloyd Levensverzekering Maatschappij N.V. and in respect of Life Mortgage Loans sold by Fortis Hypotheek Bank N.V., Fortis ASR Levensverzekering N.V. and N.V. Amersfoortse Algemene Verzekering Maatschappij, each incorporated under the laws of the Netherlands as a public limited company ("*naamloze vennootschap*").

**Insurance Companies :**

Means the Fortis Insurance Companies and AXA Leven N.V., Hooge Huys N.V., Levob Levensverzekering N.V. and Robein Leven N.V. and any insurance company within the meaning of section 1:1 of the Act on Financial Supervision which has acceded to the Programme as Insurance Company.

**403-Guarantor:**

Fortis Bank Nederland (Holding) N.V., a public company ("*naamloze vennootschap* ") organized under the laws of the Netherlands and established in Utrecht, the Netherlands.

**On Issuer level:**

<b>Issuer:</b>	Dolphin Master Issuer B.V., incorporated under the laws of the Netherlands as a private company with limited liability (" <i>besloten vennootschap met beperkte aansprakelijkheid</i> ").
<b>Issuer Administrator:</b>	Fortis Intertrust (Netherlands) B.V.
<b>Issuer GIC Provider:</b>	Fortis Bank (Nederland) N.V.
<b>Issuer Currency Swap Counterparty:</b>	The relevant issuer currency swap counterparty as set out in the relevant Final Terms and, if applicable, a supplemental prospectus.
<b>Issuer Director:</b>	ATC Management B.V., incorporated under the laws of the Netherlands as a private company with limited liability (" <i>besloten vennootschap met beperkte aansprakelijkheid</i> "). The Issuer Director, the Security Trustee Director, the Holding Director and the Asset Purchaser Directors hereinafter together the ' <b>Directors</b> '.
<b>Security Trustee:</b>	Stichting Security Trustee Dolphin, established under the laws of the Netherlands as a foundation (" <i>stichting</i> ").
<b>Holding:</b>	Stichting Holding Dolphin, established under the laws of the Netherlands as a foundation (" <i>stichting</i> "). Stichting Holding Dolphin holds all the shares in Dolphin Master Issuer B.V. and all shares in Dolphin Asset Purchasing FBN B.V. and Dolphin Asset Purchasing FHB B.V.
<b>Holding Director:</b>	ATC Management B.V., incorporated under the laws of the Netherlands as a private company with limited liability (" <i>besloten vennootschap met beperkte aansprakelijkheid</i> ").
<b>Security Trustee Director:</b>	Amsterdamsch Trustee's Kantoor B.V., incorporated under the laws of the Netherlands as a private company with limited liability (" <i>besloten vennootschap met beperkte aansprakelijkheid</i> "). Amsterdamsch Trustee's Kantoor B.V. belongs to the same group of companies as ATC Management B.V., which acts as director of the Issuer, the Asset Purchasers and the Holding.
<b>Principal Paying Agent:</b>	Fortis Banque Luxembourg S.A., a public company organized under the laws of Luxembourg and established in Luxembourg, in respect of Notes deposited with a Common Safekeeper or Common Depository for Euroclear and Clearstream, Luxembourg only, and in respect of other Notes, the entity appointed as Principal Paying Agent, if any. If no Principal Paying Agent is appointed the relevant Paying Agent will perform the duties of the Principal Paying Agent set out herein.

<b>Paying Agent:</b>	Fortis Bank (Nederland) N.V. and together with the Principal Paying Agent, the ' <b>Paying Agents</b> '.
<b>Listing Agent:</b>	Fortis Bank (Nederland) N.V.
<b>Reference Agent:</b>	Fortis Bank N.V./S.A., a public company organized under the laws of Belgium and established in Brussels, Belgium.
<b>Arranger</b>	Fortis Bank N.V./S.A.

## PRINCIPAL FEATURES IN RESPECT OF AN ASSET PURCHASER

*The following is an overview of the principal features of the Asset Purchasers. Any new Asset Purchaser will have substantially the same features as described below. If a new Asset Purchaser accedes to the Programme, a supplemental prospectus will be prepared which sets out the features of such new Asset Purchaser to the extent these features are different from the features as described below.*

### PURCHASE OF MORTGAGE RECEIVABLES:

<b>Purchase of New Mortgage Receivables:</b>	Under the relevant Asset Purchaser Mortgage Receivables Purchase Agreement, the relevant Seller may on each Mortgage Payment Date and Monthly Payment Date (each a ' <b>Mortgage Purchase Date</b> ') sell and assign and the relevant Asset Purchaser will purchase up to the Asset Purchaser Purchase Available Amount, any and all rights against a Borrower under New Mortgage Loans (' <b>New Mortgage Receivables</b> ') and all claims which the Seller has or will have as beneficiary vis-à-vis an Insurance Company in respect of the relevant Insurance Policy under which the relevant Seller has been appointed as first beneficiary (" <i>begunstigde</i> ") in connection with a Mortgage Receivable (the ' <b>Beneficiary Rights</b> '), subject to the fulfilment of certain conditions. ' <b>New Mortgage Loans</b> ' are loans entered into by the relevant Seller and the relevant Borrowers set out in the relevant Deed of Sale, Assignment and Pledge. See <i>Asset Purchaser Mortgage Receivables Purchase Agreement</i> below.
<b>Purchase of Further Advance Receivables:</b>	The relevant Asset Purchaser Mortgage Receivables Purchase Agreement will provide that on each Mortgage Purchase Date the relevant Seller will sell and the relevant Asset Purchaser will purchase Further Advance Receivables resulting from Further Advances granted by such Seller in the preceding Mortgage Collection Period and the Beneficiary Rights relating thereto, subject to the fulfilment of certain conditions.
<b>Repurchase of Mortgage Receivables:</b>	Under the relevant Asset Purchaser Mortgage Receivables Purchase Agreement, the relevant Seller will be obliged to repurchase and accept re-assignment

of the Relevant Mortgage Receivable:

- (i) if any of the representations and warranties given by the relevant Seller in respect of such Relevant Mortgage Receivable or the Relevant Mortgage Loan on its Mortgage Purchase Date is untrue or incorrect in any material respect, on the Mortgage Payment Date on or immediately following the day on which the relevant remedy period ends, or on the Monthly Payment Date following such Mortgage Payment Date;
- (ii) if the relevant Seller agrees with a Borrower to amend the terms of the Relevant Mortgage Loan as a result of which such Mortgage Loan no longer meets certain criteria set forth in the relevant Asset Purchaser Mortgage Receivables Purchase Agreement, on the Mortgage Payment Date on or immediately following the day on which such agreement is made, or on the Monthly Payment Date following such Mortgage Payment Date;
- (iii) if in a Mortgage Collection Period the relevant Seller agrees with a Borrower to grant a new mortgage loan or a further advance (which is offered as mortgage loan and complies with the description of one of the mortgage loans described herein), whether or not under the Mortgage Loan (including any increase which if purchased will result in an increase in the Outstanding Principal Amount under a Revolving Credit Mortgage Loan) which is only secured by the mortgage right which also secures the Mortgage Receivable (a '**Further Advance**') and any and all claims of the Seller on the relevant Borrower in connection with the relevant Further Advance (the relevant '**Further Advance Receivable**') and such Further Advance Receivable is not purchased by the relevant Asset Purchaser on or before the Monthly Payment Date immediately succeeding such Mortgage Collection Period, on such Monthly Payment Date; and
- (iv) if, (i) in the case of an Investment Mortgage Loan sold by Fortis Hypotheek Bank N.V., the relevant Seller agrees to comply with a request from the Borrower to switch the premia accumulated in the relevant Savings Insurance Policy with any of the Savings Participants into another eligible investment under the Mortgage Loan and (ii) in respect of a Hybrid Savings Mortgage Loan, a switch of the premia accumulated in the relevant savings part of the Insurance Policy into another eligible investment under the Mortgage Loan (items (i) and (ii) each a '**Policy Switch**') and the Participation by the relevant Savings Participant



in the Mortgage Loan has not terminated on the Mortgage Payment Date immediately following the date on which the relevant Seller has agreed to such Policy Switch, on the Mortgage Payment Date following such Policy Switch or on the Monthly Payment Date following such Mortgage Payment Date.

The purchase price in case of a repurchase by the relevant Seller of Relevant Mortgage Receivables in any of the events described above, will be equal to the '**Outstanding Principal Amount**' (which means with respect to a Mortgage Receivable (a) on any date the (then remaining) aggregate principal sum ("*hoofdsom*") due by the relevant Borrower under the relevant Mortgage Receivable and (b) after the occurrence of a Realised Loss in respect of such Mortgage Receivable, zero) of the Relevant Mortgage Receivable together with interest and reasonable costs relating thereto (including any costs incurred by the relevant Asset Purchaser in effecting and completing such purchase and assignment) accrued up to but excluding the date of purchase and assignment of the Relevant Mortgage Receivable. However, in the event of a repurchase as a result of the occurrence of a Mortgage Loan Amendment, the purchase price shall be equal to the Outstanding Principal Amount of the Relevant Mortgage Receivable, as described above, except that with respect to Mortgage Receivables which are in arrears for a period exceeding ninety (90) days or in respect of which an instruction has been given to the civil-law notary to start foreclosure proceedings, the purchase price shall be at least the lesser of (i) an amount equal to the foreclosure value of the Mortgaged Assets or, if no valuation report of less than twelve (12) months old is available, the indexed foreclosure value thereof and (ii) the sum of the Outstanding Principal Amount together with accrued interest due but not paid, if any, and any other amounts due under the Mortgage Receivable.

#### **Mortgage Loans:**

The rights of the Sellers against certain borrowers (the '**Borrowers**'), which will be sold by the relevant Seller pursuant to the relevant Asset Purchaser Mortgage Receivables Purchase Agreement (the '**Mortgage Receivables**') will relate to the Mortgage Loans. The '**Mortgage Loans**' shall, after any purchase and assignment of New Mortgage Receivables and Further Advance Receivables having taken place, be the loans entered into by the relevant Seller and the relevant Borrowers set out in the relevant Deed of Sale, Assignment and Pledge. The Mortgage Loans should be secured by a mortgage right over (i) a real property ("*onroerende zaak*"), (ii) an apartment right ("*appartementsrecht*") or (iii) a ground lease ("*erfpacht*",

together with real property and apartment rights, the '**Mortgaged Assets**'), situated in the Netherlands and should meet the eligibility criteria set out in a schedule to the relevant Asset Purchaser Mortgage Receivables Purchase Agreement (the '**Eligibility Criteria**') and the other criteria set forth in the relevant Asset Purchaser Mortgage Receivables Purchase Agreement.

The Mortgage Loans consist of several different types: (i) Annuity Mortgage Loans ("*annuïteiten hypotheken*"), (ii) Linear Mortgage Loans ("*lineaire hypotheken*"), (iii) Interest-only Mortgage Loans ("*aflossingsvrije hypotheken*"), (iv) Investment Mortgage Loans ("*beleggingshypotheken*"), (v) Savings Mortgage Loans ("*spaarhypotheken*"), (vi) Revolving Credit Mortgage Loans ("*krediet in rekening-courant*"), (vii) Life Mortgage Loans ("*levenhypotheken*") with either a Traditional Life Insurance Policy or a Unit-Linked Life Insurance Policy connected to it, or in the form of Hybrid Mortgage Loans ("*hybride hypotheken*") and (viii) combinations of any of these types of Mortgage Loans with a variety of characteristics. See *Description of Mortgage Loans of the Sellers* below for a more detailed description of the Mortgage Receivables sold by each Seller to the relevant Asset Purchaser.

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

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

## IC LOANS

### IC Loan Agreement:

On 25 September 2007 (the '**Programme Closing Date**') the Issuer has entered and on each date a new Asset Purchaser will accede to the Programme (each an '**Asset Purchaser Accession Date**') the Issuer will enter into a loan agreement (each an '**IC Loan Agreement**') with the relevant Asset Purchaser. Under each IC Loan Agreement, the Asset Purchaser may borrow monies (each advance an '**IC Loan**') on any date on which a request for a drawing under a IC Loan is made (each a '**Utilisation Date**') and the Issuer shall be obliged to grant IC Loans on such date subject to certain conditions being met. An Asset Purchaser will use the net proceeds from the IC Loan, together with the Initial Participation (as defined in *Asset Purchaser Sub-participation Agreements* below) (if any), to pay to the relevant Seller the Initial Purchase Price for the purchase of New Mortgage Receivables pursuant to the relevant Asset Purchaser Mortgage Receivables Purchase Agreement from time to time.

### Interest on the IC Loans

Interest will accrue on each IC Loan for a certain period (each an '**IC Interest Period**'). Each IC Interest Period starts on, and includes, a Monthly Payment Date and ends on, but excludes, the next succeeding Monthly Payment Date (unless an IC Loan is repaid prior to such date, in which case the date of repayment applies), provided that the first IC Interest Period for an IC Loan will be the period commencing on (and including) the Utilisation Date on which the IC Loan was granted to the relevant Asset Purchaser and ending on (and excluding) the immediately following Monthly Payment Date (unless an IC Loan is repaid prior to such date, in which case the date of repayment applies).

The interest payable on an IC Loan in respect of an IC Interest Period will be paid to the Issuer on the immediately following Note Payment Date.

The interest payable on all IC Loans by all Asset Purchasers on a Note Payment Date (the '**Aggregate IC Loan Interest**') will be equal to (a) the amounts due by the Issuer on this Note Payment Date under items (e) to (i) (inclusive), but excluding items (f) and (h), of the Issuer Interest Priority of Payments and, furthermore, excluding any interest accrued due but unpaid on the Notes, but including interest accrued in the relevant Floating Rate Interest Period on such accrued due but unpaid interest on the Notes, (b) less any interest actually received on the Issuer Accounts in the Note Collection Period immediately preceding such Note Payment Date.

On each Note Payment Date, each Asset Purchaser will pay to the Issuer a pro-rata share of the Aggregate IC Loan Interest. See *IC Loan Agreements*.

The '**Principal Outstanding Amount**' on any date of any IC Loan shall be the principal amount outstanding on the date such IC Loan was granted to the relevant Asset Purchaser less the aggregate amount of all principal paid to the Issuer up to such date in respect of such IC Loan.

#### **IC Loan Costs**

Each Asset Purchaser shall pay on each Note Payment Date a *pro rata* part of certain costs of the Issuer. The '**Aggregate IC Loan Costs**' due by all Asset Purchasers shall mean on a Note Payment Date the amounts due by the Issuer on that Note Payment Date under items (a) to (d) (inclusive) of the Issuer Interest Priority of Payments. On each Note Payment Date, each Asset Purchaser will pay to the Issuer a pro-rata share of the Aggregate IC Loan Costs (the '**IC Loan Costs**'). See *IC Loan Agreements*.

#### **Repayment of Principal**

On each Note Payment Date each Asset Purchaser is obliged to pay all principal receipts received by it on the relevant Mortgage Receivables to the Issuer as repayment of principal under the IC Loans up to the IC Loan Pass-through Payable Amount calculated in respect of the preceding Note Collection Period. Furthermore, each Asset Purchaser will undertake its best efforts to repay such amounts as are required by the Issuer to redeem one or more Series and Class or Sub-class of Notes on a Note Payment Date, multiplied by the relevant IC Loan Quarterly Fraction or any other allocation among the Asset Purchasers as agreed between the Issuer and each Asset Purchaser, in certain events, including the exercise by the Issuer of its call option on a Step-up Date relating to a Series and Class or Sub-class of Notes.

#### **CASH FLOW STRUCTURE ASSET PURCHASER:**

##### **Asset Purchaser GIC:**

The relevant Asset Purchaser and the relevant Asset Purchaser GIC Provider will enter into a guaranteed investment contract (each an '**Asset Purchaser GIC**') on the Programme Closing Date or the relevant Asset Purchaser Accession Date, whereunder the relevant Asset Purchaser GIC Provider will pay an agreed interest rate on the balance standing from time to time to the credit of the relevant Asset Purchaser Accounts.

##### **Asset Purchaser Collection Account:**

The relevant Asset Purchaser shall maintain with the relevant Asset Purchaser GIC Provider an account

(each an '**Asset Purchaser Collection Account**', and together with the relevant Asset Purchaser Construction Account as defined below, the '**Asset Purchaser Accounts**') to which all amounts of interest and principal received under the Mortgage Receivables will be transferred by, *inter alia*, the relevant Pool Servicer in accordance with the relevant Asset Purchaser Servicing Agreement.

**Asset Purchaser Construction Account:**

Each Asset Purchaser shall also maintain with the Asset Purchaser GIC Provider an account (each an '**Asset Purchaser Construction Account**'), to which on each relevant Mortgage Purchase Date an amount corresponding to the relevant aggregate Construction Amounts will be credited. The relevant Asset Purchaser Construction Account will be debited (i) for payments for the benefit of the relevant Seller upon Construction Amounts being paid out to or on behalf of the Borrowers; and (ii) in case the relevant Asset Purchaser has no obligation to pay any further part of the Initial Purchase Price, the Asset Purchaser Construction Account may be debited and the relevant Asset Purchaser Collection Account will be credited accordingly. For this purpose the '**Construction Amount**' means such part of a Mortgage Loan that at the request of the relevant Borrower is withheld by the relevant Seller on deposit to be paid out for the building or improvements of the mortgaged property.

**Asset Purchaser Cashflow Swap Agreement:**

Each Asset Purchaser will enter into a cashflow swap agreement, a schedule thereto and a cashflow swap confirmation with the relevant Asset Purchaser Cashflow Swap Counterparty (in respect of each Borrower an '**Asset Purchaser Cashflow Swap Agreement**') to hedge the risk between the rates of interest scheduled to be received by the Asset Purchaser on the relevant Mortgage Receivables and received on the Asset Purchaser Accounts and the rates of interest payable by the Asset Purchaser on the IC Loans.

**Asset Purchaser Servicing Agreement:**

Under the terms of an Asset Purchaser Servicing Agreement to be entered into on the Programme Closing Date or the relevant Asset Purchaser Accession Date (the '**Asset Purchaser Servicing Agreement**') between the relevant Asset Purchaser, the Asset Purchaser Administrator, the relevant Pool Servicer and the Security Trustee, (i) the relevant Pool 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 *Mortgage Loan Underwriting and*

*Servicing* below) and (ii) the Asset Purchaser Administrator will agree to provide certain administration, calculation and cash management services for the relevant Asset Purchaser on a day-to-day basis, including without limitation, all calculations to be made in respect of the IC Loans.

**Asset Purchaser Sub-participation Agreement:**

On the Programme Closing Date or the relevant Asset Purchaser Accession Date, the relevant Asset Purchaser will enter into an Asset Purchaser Sub-participation Agreement with the relevant Savings Participants (each an '**Asset Purchaser Sub-participation Agreement**') under which each of the relevant Savings Participants will acquire participations in the Mortgage Receivables related to the Savings Mortgage Loans ('**Savings Mortgage Receivables**', which will include any Mortgage Receivables related to Investment Savings Mortgage Loans) and Hybrid Savings Mortgage Loans. In the relevant Asset Purchaser Sub-participation Agreement the relevant Savings Participant will undertake to pay to the relevant Asset Purchaser all amounts received as Savings Premium on the Savings Insurance Policies and Hybrid Savings Insurance Policies. In return, the Savings Participant is entitled to receive the relevant Participation Redemption Available Amount from the relevant Asset Purchaser. The amount of the Participation with respect to a Savings Mortgage Receivable or Hybrid Savings Mortgage Receivable consists of (a) the Initial Participation at the relevant Mortgage Purchase Date (b) increased on a monthly basis with the sum of (i) the Savings Premium due to the Savings Participants and received by the relevant Asset Purchaser and (ii) a *pro rata* part, corresponding to the Participation in the relevant Savings Mortgage Receivable or Hybrid Savings Mortgage Receivable, of the interest received by the relevant Asset Purchaser in respect of such Savings Mortgage Receivable or Hybrid Savings Mortgage Receivable. See *Asset Purchaser Sub-participation Agreement* below.

**403-Guarantee:**

The 403-Guarantor has deposited statements pursuant to Section 2:403 of the Netherlands Civil Code (the '**403-Declarations**') with the Commercial Register of the Chamber of Commerce in Rotterdam in which it has declared to be jointly and severally liable for the debts resulting from the legal acts of Fortis Hypotheek Bank N.V., which acts as Asset Purchaser Cashflow Swap Counterparty and, Fortis Bank (Nederland) N.V., which acts as Asset Purchaser Cashflow Swap Counterparty Issuer GIC Provider and Asset Purchaser GIC Provider.

**Asset Purchaser Accession**

The Programme Agreement provides that any new Asset Purchaser may accede to the Programme to

borrow monies from the Issuer for the purpose of the purchase of New Mortgage Receivables and Further Advance Receivables from a new Seller, which also wishes to accede at the same time, if it complies with certain conditions, which include the following:

- (i) such new Asset Purchaser shall enter into the Relevant Asset Purchaser Documents in the form to be agreed between the parties thereto, with counterparties acceptable to the Security Trustee and Fortis Bank N.V./S.A.;
- (ii) the Rating Agencies have confirmed that the Notes will not be downgraded below the Minimum Ratings, or if the then current ratings of the Notes are below the Minimum Ratings, below the then current ratings assigned to the Notes, as a result of such accession;

A supplemental prospectus shall be prepared by the Issuer with respect to the accession providing all relevant information, including information regarding the relevant Asset Purchaser which accedes to the Programme.

## PRINCIPAL FEATURES IN RESPECT OF THE ISSUER

### THE NOTES:

#### Programme Size:

Up to € 25,000,000,000 outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the programme agreement dated 25 September 2007 between, *inter alia*, the Issuer, the Security Trustee the Asset Purchasers and the Dealers (the '**Programme Agreement**').

#### Series, Classes and Sub-classes:

The Notes will be issued in Series. Each Series may comprise one or more of the following classes (each a '**Class**'): Class A Notes, Class B Notes, Class C Notes, Class D Notes and Class E Notes issued on a single date (with the exception noted below). Each Series and Class may have two or more sub-classes (each a '**Sub-class**'). Separate Series of Notes, called Series 0 Notes may be issued. Each Series 0 Notes is intended to be issued to Fortis N.V./S.A. and/or Fortis N.V. or any direct or indirect subsidiary thereof only. A Class designation determines the relative seniority for receipt of cashflows.

The Notes of a particular Class or Sub-class in different Series will not necessarily have all the same terms. Differences may include principal amount, interest rate, interest rate calculations, Step-up dates and/or final maturity dates.

References in this Base Prospectus to a '**Series**' of Notes refer to all Classes of Notes issued on a given day which are expressed to be the same Series in the Final Terms and any Class of Notes issued on any other day which:

- (a) is expressed to be consolidated; and
- (b) is identical in all respects except for the Issue Date, interest commencement date and issue price, with the same Class of Notes issued on such given day.

References in this Base Prospectus to a '**Series and Class**' of Notes refer to a particular Class of Notes of a given Series.

**Issuance Test:**

For each issuance of Notes certain conditions and tests will have to be fulfilled. Generally speaking, the available subordination for each Class of Notes to be issued should be equal to or greater than the required level of subordination for such Class of Notes. See *Issuance of Notes* below.

**Denominations:**

All Notes will be issued in such denominations as set forth in the applicable Final Terms save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank or regulatory authority (or equivalent body) or any laws or regulations applicable to the relevant Currency and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which would otherwise require the publication of a prospectus under the Prospectus Directive will be € 50,000 (or if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

**Currencies:**

Subject to any applicable legal or regulatory restrictions, the Notes may be issued in euros or in other currencies as may be agreed between the Issuer and the relevant Dealer(s) (as set out in the applicable Final Terms).

**Issue Price:**

Notes will be issued at an issue price which is set out in the applicable Final Terms.

**Status of the Notes:**

The Notes of each Class rank *pari passu* without any preference or priority among Notes of the same Class.

**Ranking of the Notes:**

Payments of principal and interest on the Class A Notes of any Series due and payable on a Note Payment Date will rank ahead of payments of interest and principal on the Class B Notes of any Series, the Class C Notes of any Series, the Class D Notes of any Series and the



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

**Ratings on the Notes:**

It is a condition precedent for the issuance of each Series of Notes to be issued with at least the following ratings by each of the Rating Agencies:

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

**Interest:**

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

Interest on the Notes of a Series and Class will be payable on the 28<sup>th</sup> day of September, December, March and June or any other date indicated in the relevant Final Terms, (or, in either case, 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 day) in each year (each such day being a '**Note Payment Date**'). A '**Business Day**' means a day on which banks are open for business in Amsterdam, London, Brussels and Luxembourg provided that such day is also a day on which the Trans-European Automated Real-Time Gross Settlement European Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007 ('**TARGET System**') or any successor thereto is operating credit or transfer instructions in respect of payments in euro and in the case such is specified in the Applicable Final Terms in respect of such Notes means also a day on which (i) US Dollar deposits may be dealt in on the London interbank market and foreign banks are open for general business in

London and (ii) banks are open for general business in New York City.

**Interest Switch/Step-up:**

If on the relevant step-up date as set out in the applicable Final Terms (the '**Step-up Date**') the Notes of a Series and Class or Sub-class, as the case may be, have not been redeemed in full (i) in the case of Floating Rate Notes the applicable margin will increase as specified in the applicable Final Terms and (ii) in the case of Fixed Rate Notes the interest will switch to a floating rate of interest plus a margin as set out in the applicable Final Terms, except as set out in Condition 4(I)(d) and 4(II)(d) in case the Issuer notifies the Noteholders in time of redemption of the relevant Series and Class, or Sub-class of Notes on the Note Payment date immediately succeeding the Set-up Date.

**Floating Rate Notes:**

Unless otherwise provided in the applicable Final Terms, Notes with a floating rate of interest ('**Floating Rate Notes**') denominated in euros will bear interest at an annual rate equal to the sum of Euribor for three-months deposits in euro, plus a margin as specified in the applicable Final Terms. Unless otherwise provided in the applicable Final Terms, Notes with a floating rate of interest denominated in dollars will bear interest at an annual rate equal to the sum of Dollar-Libor for three-months deposits in dollar, plus a margin as specified in the applicable Final Terms. Interest will be payable by reference to successive interest periods on such Note Payment Dates as specified in the applicable Final Terms.

**Fixed Rate Notes:**

Unless otherwise provided in the applicable Final Terms, Notes with a fixed rate of interest ('**Fixed Rate Notes**') will be payable on Note Payment Dates as specified in the applicable Final Terms and will be calculated on the basis of the day-count fraction as specified in the Conditions.

**Repayment Test:**

Repayment of principal on the Subordinated Notes of any Class is subject to fulfilment of, *inter alia*, the Repayment Test. Generally speaking, the Repayment Test provides that the Issuer may only repay a Series and Class or Sub-class of Notes if sufficient subordination is provided for the remaining Series and Classes of Notes by one or more lower ranking Classes of Notes. See *Repayment Test* below.

**Pass-through Notes:**

On each Note Payment Date the Issuer will be obliged to apply the funds available for this purpose towards (partial) redemption of pass-through notes (the '**Pass-through Notes**') prior to their respective Final Maturity Dates (i) if the Pro-rata Condition is satisfied, on a pro-rata basis and (ii) if the Pro-rata Condition is not

satisfied, on a sequential basis.

**Soft-bullet Notes:**

A soft-bullet Note (a '**Soft-bullet Note**') will not be redeemable up to the relevant Step-up Date specified in the applicable Final Terms, except in certain circumstances as described in the Conditions and the applicable Final Terms. On the relevant Step-up Date and on each Note Payment Date thereafter, the Issuer has the option to redeem the relevant Series and Class of Notes or Sub-class thereof, subject to the Repayment Test. Following the Step-up Date in relation to a Series and Class of Notes or Sub-class thereof, all Soft-bullet Notes of such Series and Class or Sub-class thereof, will switch to Pass-through Notes and will be subject to mandatory (partial) redemption. In the case of a Trigger Event, all Soft-bullet Notes will switch to Pass-through Notes and will be subject to mandatory (partial) redemption on a sequential basis.

**Redemption of Class E Notes**

The Class E Notes will always have a Step-up Date. On the Step-up Date and on each Note Payment Date thereafter, the Issuer has the right to redeem the Class E Notes of the relevant Series and Class of Notes or Sub-class thereof, subject to the Repayment Test.

**Notes Clean-up Call Option:**

Subject to the Repayment Test, the Issuer will have the option to redeem all, but not some only, of the Notes (other than the Class E Notes) of a Series and Class, or, if applicable, Sub-class at their aggregate Principal Amount Outstanding (subject to and in accordance with Condition 6(e) and 9(b)), on each Note Payment Date on which the aggregate Principal Amount Outstanding of such Notes is less than 10 per cent. of the aggregate Principal Amount Outstanding of such Notes as at the Issue Date of such Notes (each a '**Notes Clean-up Call Option**').

**Programme Clean-up Call Option:**

The Issuer will have the option to redeem all of the Notes, but not some only, at their aggregate Principal Amount Outstanding (subject to and in accordance with Condition 6(f) and 9(b)), if the percentage of the Principal Amount Outstanding of all Mortgage Receivables falls below 10 per cent. of the highest Principal Amount Outstanding of all Mortgage Receivables at any time since the Programme Closing Date (the '**Programme Clean-up Call Option**').

**Regulatory Call Option:**

On the 28<sup>th</sup> day of each month (or if such day is not a Business Day, the next succeeding Business Day, unless such Business Day falls in the next succeeding calendar month in which event the Business Day immediately preceding such day) (each a '**Monthly Payment Date**') each Seller has the option to repurchase the Relevant Mortgage Receivables upon

the occurrence of a Regulatory Change relating to such Seller (the '**Regulatory Call Option**').

Each Asset Purchaser shall undertake in the relevant Asset Purchaser Mortgage Receivables Purchase Agreement to sell and assign the Relevant Mortgage Receivables to the relevant Seller, or any third party appointed by the relevant Seller at its sole discretion, in case the relevant Seller exercises the Regulatory Call Option. The purchase price will be calculated as described in *Sale of Mortgage Receivables* in *Credit Structure Asset Purchaser* below. If any of the Sellers exercises the Regulatory Call Option, then the Asset Purchasers have the option to repay the relevant IC Loans by applying the proceeds of the sale of the Mortgage Receivables and the Issuer has the option to redeem (part of) the Notes by applying the repayments of IC Loans towards redemption of the Notes subject to and in accordance with Condition 6(h) and 9 (b).

**Redemption for tax reasons:**

If the Issuer is or will be obliged to make any withholding or deduction for, or on account of, any taxes, duties or charges of whatsoever nature from payments in respect of any Class of Notes as a result of any change in, or amendment to, the laws or regulations of the Netherlands (including any guidelines issued by the tax authorities) or any other jurisdiction or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which becomes effective on or after the relevant Issue Date and such obligation cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer has the option to redeem the Notes, in whole but not in part, on any Note Payment Date at their Principal Amount Outstanding, together with interest accrued up to and including the date of redemption. No Series and Class of Notes may be redeemed under such circumstances unless all Series Classes of Notes (or such of them as are then outstanding) are also redeemed in full at the same time, subject to and in accordance with Condition 6(h) and 9 (b).

**Purchase of Notes:**

The Issuer may purchase Notes that are offered to it on any date, prior to (i) the occurrence of a Trigger Event which is continuing or (ii) the delivery of any Enforcement Notice and provided that the Issuer has sufficient funds available for such purpose in accordance with the Issuer Trust Deed. In the case of purchase of Class B Notes, Class C Notes, Class D Notes and Class E Notes the Repayment Test will apply *mutatis mutandis*. Any Class A Notes may, at the option of the

Issuer be held, re-issued or resold at their Principal Amount Outstanding together with accrued interest thereon subject to and in accordance with the Conditions, or may be surrendered to any of the Paying Agents for cancellation in accordance with the Paying Agency Agreement. Any Class B Notes, Class C Notes, Class D Notes or Class E Notes so purchased should be surrendered to any of the Paying Agents for cancellation in accordance with the Paying Agency Agreement.

**Method of Payment:**

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

**Use of proceeds:**

The Issuer will use the net proceeds from the issue of the Notes, other than the Class E Notes, to provide one or more Asset Purchasers with an IC Loan or to redeem other Notes. An Asset Purchaser will use the net proceeds from each IC Loan to pay to the relevant Seller (part of) the Initial Purchase Price for the purchase of Mortgage Receivables pursuant to the relevant mortgage receivables purchase agreement between the relevant Asset Purchaser, the relevant Seller and the Security Trustee (each a '**Asset Purchaser Mortgage Receivables Purchase Agreement**') from time to time. The Issuer will credit the net proceeds from the Class E Notes to the Unreserved Ledger of the Reserve Account.

**Security for the Notes:**

The Notes will be secured (i) by a first ranking right of pledge to the Security Trustee by each Asset Purchaser over the Mortgage Receivables and the Beneficiary Rights relating thereto, (ii) by a first ranking right of pledge to the Security Trustee by each Asset Purchaser over the relevant Asset Purchaser's rights under or in connection with the Programme Agreement, the relevant Asset Purchaser Servicing Agreement, the relevant Asset Purchaser Trust Agreement, the relevant Asset Purchaser GIC, the relevant Asset Purchaser Sub-participation Agreement, the relevant Asset Purchaser Accounts, and the relevant Asset Purchaser Cashflow Swap Agreement (the '**Asset Purchaser Rights**') and (iii) by a first ranking right of pledge to the Security Trustee by the Issuer over the Issuer's rights under or in connection with the IC Loan Agreements, the Issuer Administration Agreement, the Issuer GIC, in respect of the Issuer Accounts, and, if applicable, the Issuer Currency Swap Agreement (the '**Issuer Rights**').

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

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

**Regulatory Matters:**

Each issue of Notes in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time. See *Subscription and Sale* below.

The AFM may be requested to provide other competent authorities in the European Economic Area with a certificate of approval so that application may be made for Notes issued under the Programme to be admitted to trading on other regulated markets. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further listing authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.

**Form of Notes:**

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

**Withholding tax:**

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

**Listing:**

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

**Governing Law:**

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

**Selling Restrictions**

There are selling restrictions in relation to the European Economic Area, Italy, France, the United Kingdom, Japan and the United States and such other restrictions as may be required in connection with the offering and sale of a particular Series of Notes. See *Subscription and Sale* below.

**CASH FLOW STRUCTURE ISSUER:****Issuer GIC:**

The Issuer and the Issuer GIC Provider will enter into a guaranteed investment contract (the '**Issuer GIC**') on the Programme Closing Date, whereunder the Issuer GIC Provider will agree to pay an agreed interest rate on the balance standing from time to time to the credit of the Issuer Accounts.

**Issuer Collection Account:**

The Issuer shall maintain with the Issuer GIC Provider an account (the '**Issuer Collection Account**', and together with the Issuer Reserve Account, the '**Issuer Accounts**') to which all amounts of interest, costs and principal received under the IC Loans will be transferred by the Asset Purchasers.

**Issuer Reserve Account:**

The Issuer will open an account (the '**Issuer Reserve Account**') held with the Issuer GIC Provider to deposit amounts from time to time which are available to cover any shortfall in certain senior expenses and in interest on the Notes and to reserve amounts in the event of a shortfall recorded on any of the Issuer Principal Deficiency Ledgers. The Issuer Reserve Account will comprise two sub ledgers, an unreserved ledger (the '**Unreserved Ledger**') and a reserved ledger (the '**Reserved Ledger**').

Amounts credited to the Unreserved Ledger will be available to meet items (a) to (m) inclusive of the Issuer Interest Priority of Payments. Amounts applied towards items (f), (h), (j) and (l) of the Issuer Interest Priority of Payments will be credited to the Reserved Ledger. If and to the extent the amount credited to the Reserved Ledger exceeds the aggregate amount of the IC Loan Principal Deficiencies of all Asset Purchasers on a Note Payment Date after application of the Asset Purchaser Interest Priority of Payments, the Reserved Ledger will be debited for an amount corresponding to this excess and, after application of the Issuer Interest Priority of Payments on that Note Payment Date, the amount applied towards item (n) will be transferred to the Unreserved Ledger up to the Unreserved Ledger Required Amount.

The net proceeds of any Class E Notes issued by the Issuer will be credited to the Issuer Reserve Account with a corresponding crediting to the Unreserved Ledger.

**Issuer Currency Swap Agreements:**

The Issuer may enter into Issuer Currency Swap Agreements with an Issuer Currency Swap Counterparty to hedge certain risks resulting from variations in the exchange rate of the euro vis-à-vis other currencies in which the Notes may be denominated and the interest rate risk on such Notes.

**OTHER:****Management Agreements:**

The Issuer, each Asset Purchaser, the Security Trustee and the Holding will on the Programme Closing Date each enter into a management agreement (respectively the '**Issuer Management Agreement**', an '**Asset Purchaser Management Agreement**' the '**Security**



**Trustee Management Agreement'** and the **'Holding Management Agreement'** and together the **'Management Agreements'**) with the relevant Director, whereunder the relevant Director will undertake to act as director of the Issuer, the relevant Asset Purchaser, the Security Trustee or the Holding respectively and to perform certain services in connection therewith. New Asset Purchasers will on or prior to the relevant Asset Purchaser Accession Date enter into a management agreement (each an **'Asset Purchaser Management Agreement'**) with the Asset Purchaser Director, whereunder the Asset Purchaser Director will undertake to act as director of the relevant Asset Purchaser and to perform certain services in connection therewith.

## IMPORTANT NOTICE

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

The Sellers are responsible solely for the information contained in the following sections of this Base Prospectus: *Overview of the Dutch Residential Mortgage Market, Fortis and the Sellers, Description of the Mortgage Loans of the Sellers and Mortgage Loan Underwriting and Servicing of the Sellers*. To the best of its knowledge (having taken all reasonable care to ensure that such is the case) each Seller represents that the information contained in these paragraphs is in accordance with the facts and does not omit anything likely to affect its import. Any information from third-parties identified in these paragraphs as such has been accurately reproduced and as far as each Seller is aware and is able to ascertain from information published by that third-party, does not omit any facts which would render the reproduced information inaccurate or misleading. Each Seller accepts responsibility accordingly.

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

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

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

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

Neither this Base Prospectus nor any other information supplied in connection with the Programme should be considered as a recommendation by the Issuer that any recipient of this Base Prospectus or any other information supplied in connection with the Programme should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs and its own appraisal of the creditworthiness of the Issuer and the Mortgage Receivables. Neither this Base Prospectus nor any other information supplied in connection with the Programme constitutes an offer or invitation by or on behalf of the Issuer to any person to subscribe for or to purchase any Notes.

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

The Notes have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or any other regulatory authority, nor have any of the foregoing authorities passed upon or

endorsed the merits of the accuracy or adequacy of this Base Prospectus. Any representation to the contrary is unlawful.

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

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

All references in this document to '€' and 'euro' refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended, references to Sterling and £ refer to pounds sterling, references to U.S. Dollars and \$ refer to United States dollars and references to JPY and ¥ refer to Japanese Yen.

## ISSUANCE OF NOTES

The Notes will be issued pursuant to an issuer trust deed dated the Programme Closing Date (the '**Issuer Trust Deed**'). The following summary summarizes the material terms of the Notes and the Issuer Trust Deed relating to the issuance of the Notes. These summaries do not purport to be complete and are subject to the provisions of the Issuer Trust Deed and the Conditions.

### General

The Notes will be issued in Series. Each Series will comprise of one or more Classes of Notes issued on a single issue date and any Class of Notes issued on any other day which is expressed to be consolidated and is identical in all respects except for the Issue Date, interest commencement date and issue price, with any of the Classes of Notes issued on such given day. A Series 0 of Notes is intended to be issued to Fortis N.V./S.A. and/or Fortis N.V. or any (direct or indirect) subsidiary thereof only. A Class designation determines the relative seniority for receipt of cash flows. The Notes of a particular Class in different Series (and the Notes of different Sub-classes of the same Class and Series) will not necessarily have all the same terms. Differences may include principal amount, interest rates, interest rate calculations, dates and final maturity dates. Each Series and Class of Notes will be secured over the Mortgage Receivables. The specific terms of each Series of Notes will be set forth in the related Final Terms.

### Issuance

The Issuer may issue new Series and Classes of Notes from time to time on any date without obtaining the consent of existing Noteholders. As a general matter the Issuer may only issue a new Series and Class of Notes if sufficient subordination is provided for that new Series and Class of Notes by one or more lower ranking Classes of Notes. Furthermore, in the Issuer Trust Deed the Issuer has undertaken that the Series 0 Notes will only be issued at market conditions given the characteristics of such Notes. The conditions and tests (including the required levels of subordination) necessary to issue a series and class of notes (the '**Issuance Tests**'), are the following:

#### All Classes of Notes

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

- No Event of Default shall have occurred which is continuing or will occur as a consequence of such issuance;
- There may be no debit balance on the Issuer Principal Deficiency Ledger;
- No Enforcement Notice has been served on the Issuer by the Security Trustee;
- No Trigger Event shall have occurred or will occur as a consequence of such issuance;
- The Rating Agencies, other than Moody's, have provided written confirmation that their ratings of the outstanding Notes will not be reduced below the Minimum Ratings of the Notes or, if the ratings of the Notes are below the Minimum Ratings of the Notes, below the then current ratings assigned to the Notes, or withdrawn as a consequence of such issuance and, in respect of Moody's, Moody's is notified of such issuance.

AND

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

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

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

$$A \times B$$

where:

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

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

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

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

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

$$A \times B$$

where:

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

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

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

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

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

$$A \times B$$

where:

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

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

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

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

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

$$A \times B$$

where:

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

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

The Class A Required Subordinated Percentage, the Class B Required Subordinated Percentage, the Class C Required Subordinated Percentage and the Class D Required Subordinated Percentage may be changed by the Issuer from time to time without the consent of the Security Trustee or the Noteholders. Such change may only be made with the written confirmation of the Rating Agencies, other than Moody's, that the then current ratings assigned to the Notes will not be downgraded below the Minimum Ratings, or, if the then current ratings assigned to the Notes is below the Minimum Ratings, below the then current ratings assigned to the Notes as a result of such change and, in respect of Moody's, Moody's is notified of such change.

## REPAYMENT TEST

The following summary summarizes the conditions and tests for the repayment of the Subordinated Notes. This summary does not purport to be complete and is subject to the provisions of the Issuer Trust Deed and the Conditions.

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

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

Amount is at least equal to the Class D Required Subordinated Amount on such Note Payment Date or, if the Class A Available Subordinated Amount, the Class B Available Subordinated Amount, the Class C Available Subordinated Amount and/or the Class D Available Subordinated Amount are or, as the case may be, is lower than the Class A Required Subordinated Amount, the Class B Required Subordinated Amount, the Class C Required Subordinated Amount and/or the Class D Required Subordinated Amount respectively, the Class A Available Subordinated Amount, the Class B Available Subordinated Amount, the Class C Available Subordinated Amount and/or the Class D Available Subordinated Amount are or, as the case may be, is at least equal to the Class A Available Subordinated Amount, the Class B Available Subordinated Amount, the Class C Available Subordinated Amount and/or the Class D Available Subordinated Amount respectively, before giving effect to such payments and issuances.



## RATING EVENTS

The following summarizes and defines the minimum rating requirements and the rating downgrade events used in this Base Prospectus.

### Minimum ratings

#### *GIC*

The Issuer GIC Provider and each Asset Purchaser GIC Provider, or any 403-Guarantor who guarantees the obligations of the Issuer GIC Provider or the relevant Asset Purchaser GIC Provider, should at least have the GIC Provider Required Rating. The '**GIC Provider Required Rating**' means a rating of the short-term, unsecured, unsubordinated and unguaranteed debt obligations of at least A-1 by S&P, Prime 1 by Moody's and F1 by Fitch.

#### *Asset Purchaser Cashflow Swap*

Each Asset Purchaser Cashflow Swap Counterparty, or any 403-Guarantor who guarantees the obligations of such Asset Purchaser Cashflow Swap Counterparty, should have at least the Asset Purchaser Cashflow Swap Counterparty Required Rating. The '**Cashflow Swap Counterparty Required Rating**' means a rating of (i) the long-term unsecured and unsubordinated debt obligations of at least A by Fitch and A2 by Moody's (or, if it is not subject to a short term rating, A1 by Moody's) and (ii) the short-term unsecured, unsubordinated and unguaranteed debt obligations of at least A-1 by S&P, Prime 1 by Moody's and F1 by Fitch.

#### *Issuer Currency Swap*

Each Issuer Currency Swap Counterparty, or any guarantor who guarantees the obligations of such Issuer Currency Swap Counterparty should have at least the Issuer Currency Swap Counterparty Required Rating. The '**Issuer Currency Swap Counterparty Required Rating**' means a rating of (i) the long-term, unsecured, unsubordinated and unguaranteed debt obligations of at least and A by Fitch and A2 by Moody's (or, if it is not subject to a short term rating, A1 by Moody's) and (ii) the short-term unsecured, unsubordinated and unguaranteed debt obligations of at least A-1 by S&P, Prime 1 by Moody's and F1 by Fitch.

#### *Seller Collection Accounts*

Each Seller Collection Account Provider, or any 403-Guarantor who guarantees the obligations of such Seller Collection Account Provider should have at least the Seller Collection Account Provider Required Ratings. The '**Seller Collection Account Provider Required Rating**' means a rating of the short-term, unsecured, unsubordinated and unguaranteed debt obligations of at least A-1 by S&P, Prime 1 by Moody's and F1 by Fitch.

### Rating Downgrade Events

#### *GIC*

An '**Issuer GIC Provider Rating Downgrade Event**' means the event that (i) the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Issuer GIC Provider or, if these obligations of the Issuer GIC Provider are not rated by the Rating Agencies, the 403-Guarantor are assigned a rating of less than the GIC Provider Required Rating or such rating is withdrawn by any of the Rating Agencies or (ii) if these obligations of the Issuer GIC Provider do not have the GIC Provider Required Rating, the 403-Guarantor withdraws the relevant 403-Declaration.

An '**Asset Purchaser GIC Provider Rating Downgrade Event**' means the event that (i) the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Asset Purchaser GIC Provider or, if these obligations of the Asset Purchaser GIC Provider are not rated by the Rating Agencies, the 403-Guarantor are assigned a rating of less than the GIC Provider Required Rating or such rating is withdrawn by any of the Rating Agencies or (ii) if these obligations of the Asset Purchaser GIC Provider do not have the GIC Provider Required Rating, the 403-Guarantor withdraws the relevant 403-Declaration.

#### *Asset Purchaser Cashflow Swap Agreements*

An '**Asset Purchaser Cashflow Swap Counterparty Rating Downgrade Event**' means the event that (i) the long-term unsecured, unsubordinated and unguaranteed debt obligations and the short-term unsecured, unsubordinated and unguaranteed debt obligations of the relevant Asset Purchaser Cashflow Swap Counterparty, or if these

obligations of the Asset Purchaser Cashflow Swap Counterparty are not rated by the Rating Agencies, the 403-Guarantor are assigned a rating of less than the Cashflow Swap Counterparty Required Rating or such rating is withdrawn or (ii) if these obligations of the Asset Purchaser Cashflow Swap Counterparty do not have the Cashflow Swap Counterparty Required Rating, the 403-Guarantor withdraws the relevant 403-Declaration.

#### *Issuer Currency Swap Agreements*

An '**Issuer Currency Swap Counterparty Downgrade Event**' means the event that (i) the long-term unsecured, unsubordinated and unguaranteed debt obligations and the short-term unsecured, unsubordinated and unguaranteed debt obligations of the relevant Issuer Currency Swap Counterparty or, if these obligations of the Issuer Currency Swap Counterparty are not rated by the Rating Agencies, the guarantor who guarantees the obligations of such Issuer Currency Swap Counterparty are assigned a rating of less than the Issuer Currency Swap Counterparty Required Rating or such rating is withdrawn or (ii) if these obligations of the Issuer Currency Swap Counterparty do not have the Issuer Currency Swap Provider Required Rating, the guarantor who guarantees the obligations of such Issuer Currency Swap Counterparty withdraws the relevant guarantee.

#### *Seller Collection Accounts*

A '**Seller Collection Account Provider Rating Downgrade Event**' means the event that (i) the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Seller Collection Account Provider or, if these obligations of the Seller Collection Account Provider are not rated by the Rating Agencies, the 403-Guarantor are assigned a rating of less than the Seller Collection Account Provider Required Rating or such rating is withdrawn by any of the Rating Agencies or (ii) if these obligations of the Seller Collection Account GIC Provider do not have the Seller Collection Account Provider Required Rating, the 403-Guarantor withdraws the relevant 403-Declaration.

#### **Eligible Investments**

The '**Eligible Investments Minimum Ratings**' means in respect of securities (i) a rating of A-1 by S&P (ii) a rating of (a) Aaa and Prime-1 by Moody's in case of a remaining tenor longer than six (6) months or (b) Aa3 and Prime-1 by Moody's in case of a remaining tenor less than six (6) months but longer than three (3) months or (c) A1 and Prime-1 by Moody's in case of a remaining tenor less than three (3) months but longer than one (1) month or (d) A2 or Prime-1 by Moody's in case of a remaining tenor less than one (1) month and (iii) a rating of (a) AAA by Fitch in case of a remaining tenor longer than one year or (b) F1+ by Fitch in case of a remaining tenor less than one year but longer than thirty (30) days or (c) F1 by Fitch in case of a remaining tenor less than thirty (30) days.

#### **Seller Downgrade Event**

A '**Seller Downgrade Event**' means in respect of a Seller the event that (i) the short-term unsecured, unsubordinated and unguaranteed debt obligations of the relevant Seller or, if these obligations of the Seller are not rated by S&P, the 403-Guarantor are assigned a rating of less than A-1 by S&P or such rating is withdrawn by S&P or (ii) the long-term unsecured, unsubordinated and unguaranteed debt obligations of the relevant Seller or, if these obligations of the Seller are not rated by Fitch, the 403-Guarantor are assigned a rating of less than A- by Fitch or such rating is withdrawn by Fitch or (iii) if these obligations of the Seller do not have a rating of at least A-1 by S&P and A- by Fitch, the 403-Guarantor withdraws the relevant 403-Declaration.

## CREDIT STRUCTURE ASSET PURCHASERS

*The structure of the credit arrangements for each Asset Purchaser under the Programme may be summarised as follows. If a new Asset Purchaser accedes to the Programme, a supplemental prospectus will be prepared which sets out the credit structure for such new Asset Purchaser, if different from the structure described below.*

### Mortgage Loan Interest Rates

The Mortgage Loans bear interest on a floating rate basis or a fixed rate basis, subject to a reset from time to time on dates agreed with the Borrower. Interest rates vary between individual Mortgage Loans. The actual amount of interest received by the relevant Asset Purchaser will vary during the life of the Programme as a result of the level of delinquencies, defaults, repayments and prepayments, purchase of New Mortgage Loans and the reset of interest rates from time to time in respect of the Mortgage Receivables. Similarly, the actual amounts payable under the relevant Asset Purchaser Interest Priority of Payments will vary during the life of the transaction as a result of fluctuations in Euribor and possible variations in certain other costs and expenses of the Asset Purchaser. The eventual effect of such variations in certain other costs and expenses of the Asset Purchaser could lead to non-payment of certain items under the Asset Purchaser Interest Priority of Payments.

### Cash Collection Arrangements

All payments made by Borrowers will be paid into the collection account of the relevant Seller (together with other banks with whom a relevant seller collection account is maintained, the '**Seller Collection Account Providers**' and each a '**Seller Collection Account Provider**'). Such collection account may also be used for the collection of monies paid in respect of mortgage loans other than the Mortgage Loans and in respect of other monies belonging to the relevant Seller.

On each sixth business day following the fifth calendar day following the last day of a Mortgage Collection Period (each a '**Mortgage Payment Date**') the relevant Seller shall, *inter alia*, transfer (or procure that the relevant Pool Servicer transfers on its behalf) all amounts of interest, including any prepayment penalties and penalty interest ("*boeterente*") and in respect of Fortis Bank (Nederland) N.V., an amount equal to the interest not paid but administered to the balance of the Revolving Credit Mortgage Loan, if any, and principal, less amounts applied to the purchase of Mortgage Receivables (see *Purchase of Mortgage Receivables on Mortgage Payment Dates* below) received by the relevant Seller in respect of the Mortgage Loans and paid to the relevant Seller's collection account during the immediately preceding Mortgage Collection Period, to the relevant Asset Purchaser Collection Account, except that in respect of amounts received as interest on the first Mortgage Payment Date the relevant Seller shall transfer the quotient of (i) amounts of interest received multiplied by the number of days elapsed from the first Issue Date up to and including the last day of the first Mortgage Collection Period and (ii) the number of days of the first Mortgage Collection Period. The '**Mortgage Collection Period**' means the period commencing on (and including) the first day of each calendar month and ending on (and including) the last day of the same calendar month, except for the first Mortgage Collection Period which has commenced on (and includes) 1 September 2007 and has ended on (and includes) 30 September 2007. The '**Mortgage Calculation Date**' means the day falling three business days prior to a Mortgage Payment Date.

If at any time a Seller Collection Account Provider Rating Downgrade Event occurs, then the relevant Seller will, to maintain the then current ratings assigned to the Notes at least at the Minimum Ratings or, if the then current ratings of the Notes are lower than the Minimum Ratings, to maintain the then current ratings assigned to the Notes, within thirty (30) days of any such event, either: (i) ensure that payments to be made in respect of amounts received on the collection account relating to the relevant Mortgage Receivables will be guaranteed by a party having at least the Seller Collection Account Provider Required Rating; or (ii) (a) open an escrow account in the name of the relevant Asset Purchaser, for its own account, with a party having at least the Seller Collection Account Provider Required Rating, and (b) transfer to the escrow account an amount equal to 2 per cent. of the Outstanding Principal Amount of all Mortgage Loans held by the relevant Asset Purchaser; or (iii) implement any other actions agreed at that time with the Rating Agencies.

If a Seller Downgrade Event occurs (i) the relevant Seller shall open an escrow account in the name of the relevant Asset Purchaser, for its own account, with a party having at least the Seller Collection Account Provider Required Rating, and transfer to the escrow account within (30) days after such downgrade, an amount equal to any savings amounts held by an Insurance Company which is a (direct or indirect) subsidiary of Fortis N.V./S.A. and/or Fortis N.V. within the meaning of article 2:24a Netherlands Civil Code, in respect of Hybrid Mortgage Loans and in respect of Savings Mortgage Loans sold and assigned by such Seller, for which no Sub-participation Agreement has been entered into between the relevant Asset Purchaser and the relevant Savings Participant (but excluding any savings amounts in respect of which a Sub-participation Agreement has been entered into between the relevant Asset Purchaser and the relevant Savings Participant) or (ii) the relevant Seller has complied with any other solution acceptable to S&P and/or Fitch, as the case may be, within ten (10) days after such downgrade.

#### **Asset Purchaser Accounts**

Each Asset Purchaser will maintain with the Asset Purchaser GIC Provider an Asset Purchaser Collection Account to which all amounts received (i) in respect of the Mortgage Loans, (ii) from the Savings Participants under the Asset Purchaser Sub-participation Agreement and (iii) from the other parties to the Relevant Asset Purchaser Documents to which the relevant Asset Purchaser is a party will be paid. The **'Relevant Asset Purchaser Documents'** are the Programme Agreement, the Asset Purchaser Mortgage Receivables Purchase Agreements, the Asset Purchaser Pledge Agreements, the Asset Purchaser GICs, the Asset Purchaser Cashflow Swap Agreements, IC Loan Agreements, the Asset Purchaser Trust Agreement, the Asset Purchaser Beneficiary Waiver Agreements, the Asset Purchaser Sub-participation Agreements, the Asset Purchaser Servicing Agreements, the Holding Management Agreement, the Security Trustee Management Agreement and the Asset Purchaser Management Agreements and, in respect of a specific Asset Purchaser, to the extent it is a party thereto.

The Asset Purchaser Administrator will identify all amounts paid into the relevant Asset Purchaser Collection Account by crediting such amounts to ledgers established for such purpose. Payments received on each Mortgage Payment Date in respect of the Mortgage Loans will be identified as principal or revenue receipts and credited to the Principal Ledger or the Revenue Ledger, as the case may be.

If during any Note Collection Period, the balance remaining on the credit of the Asset Purchaser Collection Account exceeds 1.5 per cent. of the Principal Outstanding Amount of all IC Loans of the relevant Asset Purchaser, the relevant Asset Purchaser may at its option, invest such funds into (A) euro denominated securities, subject to certain conditions, including that such securities may not have a maturity beyond the immediately succeeding Note Payment Date and that such securities have been assigned the Eligible Investment Minimum Ratings or (B) or ECB Tier 1 Eligible securities or (C) in other securities provided that the Rating Agencies, other than Moody's, have given prior confirmation that such investment will not result in a change to the ratings assigned to the Notes below the Minimum Ratings of the Notes or, if the ratings of the Notes are below the Minimum Ratings of the Notes, will not adversely affect the then current ratings assigned to the Notes and, in respect of Moody's, Moody's is notified of such investments (the **'Asset Purchaser Eligible Investments'**).

Payments from the relevant Asset Purchaser Collection Account other than (a) on a Note Payment Date in respect of all items referred to in the Asset Purchaser Interest Priority of Payments and (b) on a Monthly Payment Date in respect of principal, may only be made to satisfy (i) amounts due to third parties (other than pursuant to the Relevant Asset Purchaser Documents) and under obligations incurred in the Asset Purchaser's business, (ii) amounts due to the Insurance Companies under the Asset Purchaser Sub-participation Agreement (iii) investments in Asset Purchaser Eligible Investments or (iv) to grant IC Loans. For the avoidance of doubt, on a Mortgage Payment Date the relevant Asset Purchaser may set-off amounts payable by the relevant Seller with the Initial Purchase Price of Mortgage Receivables or apply the proceeds of a new IC Loan towards payment of the Initial Purchase Price of Mortgage Receivables (see *Purchase of Mortgage Receivables on Mortgage Payment Dates* below).

In addition the relevant Asset Purchaser will maintain with the Asset Purchaser GIC Provider an Asset Purchaser Construction Account. On each Mortgage Purchase Date an amount corresponding to the aggregate Construction Amounts in respect of the Mortgage Receivables purchased by the relevant Asset Purchaser on such date will be credited to the Asset Purchaser Construction Account of such Asset Purchaser. Payments may be made from the relevant Asset Purchaser Construction Account on a Mortgage Payment Date only to satisfy payment by the relevant

Asset Purchaser to the relevant Seller of part of the Initial Purchase Price as a result of the distribution of (part of) the Construction Amount by the relevant Seller to the relevant Borrowers. Besides this, the relevant Asset Purchaser Construction Account will be debited on each Mortgage Payment Date with the amount Borrowers have set off against the relevant Mortgage Receivables in connection with the Construction Amounts and as a result in respect of which the relevant Asset Purchaser has no further obligation to pay such part of the Initial Purchase Price. Such amount will be credited to the relevant Asset Purchaser Collection Account and will form part of the Asset Purchaser Principal Available Amount.

If at any time an Asset Purchaser GIC Provider Rating Downgrade Event occurs, then the Asset Purchaser GIC Provider will use its best efforts within thirty (30) days of any such event (i) to obtain a third party, having at least the GIC Provider Required Rating to guarantee the obligations of the Asset Purchaser GIC Provider, or (ii) to find an alternative Asset Purchaser GIC Provider acceptable to the Rating Agencies and the Security Trustee or (iii) to find any other solution acceptable to the Rating Agencies to maintain the ratings assigned to the Notes at least at the Minimum Ratings of the Notes, or, if the ratings of the Notes are below the Minimum Ratings of the Notes, to maintain the then current ratings assigned to the Notes.

#### **Asset Purchaser Interest Cash Flows**

On each third business day prior to a Note Payment Date (in respect of such Note Payment Date a '**Note Calculation Date**') the Asset Purchaser Administrator will calculate for each Asset Purchaser the sum of the following amounts received or held by it in relation to the three successive Mortgage Collection Periods (a '**Note Collection Period**'), except for the first Note Collection Period, which will mean the two successive Mortgage Collection Periods preceding the first Note Calculation Date immediately preceding such Note Calculation Date (items (i) up to and including (viii) together the '**Asset Purchaser Interest Available Amount**' in respect of the relevant Asset Purchaser:

- (i) as interest, including any prepayment penalties and penalty interest ("*boeterente*"), on the Relevant Mortgage Receivables less, with respect to each Savings Mortgage Receivable, and each Hybrid Savings Mortgage Receivable an amount equal to the amount received, multiplied by the relevant Participation divided by the Outstanding Principal Amount of such Savings Mortgage Receivable or Hybrid Savings Mortgage Receivable (the '**Participation Fraction**');
- (ii) as interest credited to the relevant Asset Purchaser Collection Account and as revenue on any Relevant Eligible Investments made by it and as Interest Discount Payment paid by the Issuer;
- (iii) as Net Proceeds on any Relevant Mortgage Receivables, to the extent such proceeds do not relate to principal less, with respect to each Savings Mortgage Receivable and each Hybrid Savings Mortgage Receivable an amount equal to the amount received multiplied by the relevant Participation Fraction;
- (iv) as amounts to be received from the relevant Asset Purchaser Cashflow Swap Counterparty under the relevant Asset Purchaser Cashflow Swap Agreement on the immediately succeeding Note Payment Date, excluding, for the avoidance of doubt, any collateral transferred pursuant to such Asset Purchaser Cashflow Swap Agreement;
- (v) as amounts received in connection with a repurchase of Relevant Mortgage Receivables pursuant to the relevant Asset Purchaser Mortgage Receivables Purchase Agreement to the extent such amounts do not relate to principal or any other amounts to be received pursuant to the relevant Asset Purchaser 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 Savings Mortgage Receivable an amount equal to the amount received, multiplied by the relevant Participation Fraction;
- (vi) as amounts received in connection with a sale of the Relevant Mortgage Receivables to the extent such amounts do not relate to principal less, with respect to each Savings Mortgage Receivable, and each Hybrid Savings Mortgage Receivable, an amount equal to the amount received, multiplied by the relevant Participation Fraction;
- (vii) as amounts received as Post Foreclosure Proceeds on the Relevant Mortgage Receivables; and
- (viii) on the Note Calculation Date on which all IC Loans of such Asset Purchaser are redeemed in full or will be redeemed in full on the next Note Payment Date, the remaining balance to the credit of the Asset Purchaser Collection Account, if any.

#### **Asset Purchaser Interest Priority of Payments**

Prior to the delivery of an Enforcement Notice or an Asset Purchaser Enforcement Notice, the relevant Asset Purchaser Interest Available Amount shall be applied by the relevant Asset Purchaser on the immediately succeeding Note Payment Date as follows (in each case only if and to the extent that payments or provisions of a higher order of priority have been made in full) (the '**Asset Purchaser Interest Priority of Payments**')

- (a) *first*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of (i) the fees or other remuneration due and payable to the relevant Asset Purchaser Director in connection with the relevant Asset Purchaser Management Agreement, and (ii) the fees or other remuneration due and payable to the Holding Director and the Security Trustee Director in connection with the relevant Management Agreements and any costs, charges, liabilities and expenses incurred by the Security Trustee under or in connection with any of the Relevant Asset Purchaser Documents, to the extent these amounts under (ii) are related to the relevant Asset Purchaser and in respect of general costs which cannot be attributed to a certain Asset Purchaser, multiplied by the sum of the aggregate Principal Outstanding Amount of all IC Loans of the relevant Asset Purchaser (i) on the first day of the first IC Interest Period, (ii) on the first day of the second IC Interest Period and (iii) on the first day of the third IC Interest Period divided by the Principal Outstanding Amount of all IC Loans of all Asset Purchasers (i) on the first day of the first IC Interest Period, (ii) on the first day of the second IC Interest Period and (iii) on the first day of the third IC Interest Period (the '**IC Loan Quarterly Fraction**');
- (b) *second*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of fees and expenses due and payable to the Asset Purchaser Administrator and the relevant Pool Servicer under the relevant Asset Purchaser Servicing Agreement;
- (c) *third*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of any amounts due and payable to third parties under obligations incurred in the relevant Asset Purchaser's business (other than under the Relevant Asset Purchaser Documents), including, without limitation, in or towards satisfaction of sums due or provisions for any payment of the Asset Purchaser's liability, if any, to tax and the fees and expenses of the Rating Agencies and any legal advisor, auditor and accountant appointed by the relevant Asset Purchaser or the Security Trustee to the extent these amounts are related to the relevant Asset Purchaser and in respect of general costs which cannot be attributed to a certain Asset Purchaser, multiplied by the IC Loan Quarterly Fraction;
- (d) *fourth*, in or towards satisfaction of amounts, if any, due but unpaid under the relevant Asset Purchaser Cashflow Swap Agreement, except for any termination payment due or payable (a) as a result of the occurrence of an Event of Default where the relevant Asset Purchaser Cashflow Swap Counterparty is the Defaulting Party or (b) an Asset Purchaser Cashflow Swap Counterparty Downgrade Event, including a Settlement Amount (as defined in the relevant Asset Purchaser Cashflow Swap Agreement) (an '**Asset Purchaser Cashflow Swap Counterparty Default Payment**') payable under (g) below;
- (e) *fifth*, in or towards satisfaction, *pro rata*, of (i) interest due in respect of the relevant IC Loans and (ii) the IC Loan Costs due and payable by such Asset Purchaser;
- (f) *sixth*, in or towards making good, any shortfall reflected in the relevant IC Loan Principal Deficiency Ledger until the debit balance, if any, on the relevant IC Loan Principal Deficiency Ledger is reduced to zero;
- (g) *seventh*, in or towards satisfaction of the Asset Purchaser Cashflow Swap Counterparty Default Payment payable to the Asset Purchaser Cashflow Swap Counterparty under the terms of the relevant Asset Purchaser Cashflow Swap Agreement;
- (h) *eighth*, in or towards satisfaction of gross-up amounts or additional amounts due, if any, to the Issuer pursuant to the relevant IC Loan Agreement;
- (i) *ninth*, in or towards satisfaction of a Deferred Purchase Price Instalment to the relevant Seller.

#### **Principal Cash Flows**

On each third business day prior to a Monthly Payment Date (each a '**Monthly Calculation Date**') the Asset Purchaser Administrator will calculate the sum of the following amounts received or held by the relevant Asset Purchaser in relation to the immediately preceding Mortgage Collection Period (items (i) up to and including (xi) hereinafter referred to as the '**Asset Purchaser Principal Available Amount** '):

- (i) as repayment and prepayment in full of principal under the Mortgage Receivables, less, with respect to each Savings Mortgage Receivable, and each Hybrid Savings Mortgage Receivable, the Participation in such Savings Mortgage Receivable or such Hybrid Savings Mortgage Receivable (such amount, together with items (iii) up to and including (vii) and (ix), less any amounts received under item (v) to the extent such amounts result from the sale of Mortgage Receivables pursuant to the best efforts obligation of the Asset Purchaser to repay principal under the IC Loans in connection with the redemption of Notes upon exercise of a call-option as set out in the relevant Asset Purchaser Trust Agreement, being the '**Asset Purchaser Principal Receipts**');
- (ii) on a Note Calculation Date, any amounts to be credited to the relevant IC Loan Principal Deficiency Ledger on the immediately succeeding Note Payment Date;
- (iii) as Net Proceeds on any Mortgage Receivable, to the extent such proceeds relate to principal less, with respect to each Savings Mortgage Receivable, and each Hybrid Savings Mortgage Receivable, the Participation in such Savings Mortgage Receivable or such Hybrid Savings Mortgage Receivable;
- (iv) as amounts received in connection with a repurchase of the Mortgage Receivables by the relevant Seller and any other amounts received pursuant to the relevant Asset Purchaser Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal less, with respect to each Savings Mortgage Receivable and each Hybrid Savings Mortgage Receivable, the Participation in such Savings Mortgage Receivable, or such Hybrid Savings Mortgage Receivable;
- (v) as amounts received in connection with a sale of Mortgage Receivables to the extent such amounts relate to principal less, with respect to each Savings Mortgage Receivable and Hybrid Savings Mortgage Receivable, the Participation in such Savings Mortgage Receivable or such Hybrid Savings Mortgage Receivable;
- (vi) as Participation Increase, less any amounts paid towards termination of the sub-participation in the relevant Savings Mortgage Receivable or Hybrid Savings Mortgage Receivable in case of a Policy Switch, pursuant to the relevant Asset Purchaser Sub-participation Agreement;
- (vii) as partial prepayment in respect of Mortgage Receivables;
- (viii) any part of the relevant Asset Purchaser Principal Available Amount calculated on a preceding Note Calculation Date which has not been applied towards payment of the relevant IC Loans or purchase of Further Advance Receivables or New Mortgage Receivables on the immediately preceding Monthly Payment Date;
- (ix) as amounts received on the relevant Asset Purchaser Collection Account on the preceding Mortgage Payment Date from the credit balance of the Asset Purchaser Construction Account in cases where the relevant Construction Amount is paid to the relevant Borrower by means of set-off with the Mortgage Receivables;
- (x) the net proceeds from an IC Loan under the relevant IC Loan Agreement, to be made from (but excluding) the immediately preceding Monthly Payment Date to (and including) on the immediately succeeding Monthly Payment Date;

less:

- (xi) any amounts which have been applied in satisfaction by payment or by means of set-off with (part of) the Initial Purchase Price of New Mortgage Receivables and Further Advance Receivables on the Mortgage Payment Date falling in this Mortgage Collection Period.

#### **Purchase of Mortgage Receivables on Mortgage Payment Dates**

On each Mortgage Payment Date prior to the earlier of (i) the delivery of an Enforcement Notice, (ii) the delivery of an Asset Purchaser Enforcement Notice in respect of the relevant Asset Purchaser and (iii) the occurrence of a Trigger Event, the Asset Purchaser may purchase Mortgage Receivables from the relevant Seller up to the Asset Purchaser Purchase Netting Available Amount. The amount available for such purpose (the '**Asset Purchaser Purchase Netting Available Amount**') will be equal to (i) the Asset Purchaser Principal Receipts in respect of the relevant Mortgage Receivables received on such Mortgage Payment Date, the proceeds of any IC Loan on such date and the Initial Participation in respect of the relevant New Mortgage Receivables and Further Advance Receivables to be purchased on such date, less (ii) the Asset Purchaser Principal Receipts in respect of the Mortgage Loans received on

such Mortgage Payment Date multiplied by the Pass-through Percentage. The Initial Purchase Price or part thereof may be paid by way of set-off with (part of) the Asset Purchaser Principal Receipts in respect of the Mortgage Loans due by such Seller on such Mortgage Payment Date or by means of on payment of the net proceeds of an IC Loan and thus outside the Asset Purchaser Principal Priority of Payments prior to a Trigger Event. The '**Pass-through Percentage**' shall mean on any Monthly Payment Date or any Mortgage Payment Date the Principal Amount Outstanding of all Pass-through Notes (excluding the Class E Notes) on such date, less any amount remaining on the Issuer Principal Deficiency Ledger to the extent attributable to the Pass-through Notes, divided by the Principal Amount Outstanding of all Notes (excluding the Class E Notes) on such date, less any amount remaining on the Issuer Principal Deficiency Ledger on such date (for the avoidance of doubt, prior to giving effect to any issuance or repayment on such date, but after the application of the Issuer Interest Priority of Payments).

**Asset Purchaser Principal Priority of Payments prior to a Trigger Event**

Prior to (i) the occurrence of a Trigger Event or (ii) the delivery of an Enforcement Notice or an Asset Purchaser Enforcement Notice in respect of the relevant Asset Purchaser, the Asset Purchaser Principal Available Amount will be applied by the relevant Asset Purchaser on the immediately succeeding Monthly Payment Date as follows (in each case only if and to the extent that payments or provisions of a higher order of priority have been made in full) (the '**Asset Purchaser Principal Priority of Payments prior to a Trigger Event**')

- (i) *first*, in or towards satisfaction of principal due to the Issuer under the relevant IC Loans up to the relevant Asset Purchaser Pass-through Payable Amount;
- (ii) *second*, in or towards payment of (part of) the Initial Purchase Price of Further Advance Receivables to the relevant Seller;
- (iii) *third*, in or towards payment of (part of) the Initial Purchase Price of New Mortgage Receivables to the relevant Seller; and
- (iv) *fourth*, in or towards satisfaction of principal under the relevant IC Loans in excess of the Asset Purchaser Pass-through Payable Amount to the Issuer.

**Asset Purchaser Pass-through Payable Amount** means in respect of each Asset Purchaser the sum of (a) on any Monthly Payment Date the sum of items (i), (ii), (iii), (iv), (v), (vi), (vii) and (ix) of the relevant Asset Purchaser Principal Available Amount in relation to the immediately preceding Mortgage Collection Period less any amounts received under item (v) to the extent such amounts result from the sale of Mortgage Receivables pursuant to the best efforts obligation of the Asset Purchaser to repay principal under the IC Loans in connection with the redemption of Notes upon exercise of a call-option as set out in the relevant Asset Purchaser Trust Agreement, multiplied with the Pass-through Percentage on such date and (b) on any Monthly Payment Date which is also a Note Payment Date, if on such Note Payment Date, after application of the Asset Purchaser Principal Priority of Payments, the amount standing to the credit of the Asset Purchaser Collection Account is higher than 5 per cent. of the Principal Amount Outstanding of the Pass-Through Notes on such date, the amount as calculated under (a) above plus an amount equal to the balance of the Asset Purchaser Collection Account multiplied with the following product: (i) the sum of the Principal Payment Rate and the Loss Rate on this Note Payment Date, and (ii) the Pass-Through Percentage.

**Principal Payment Rate** means on any Note Payment Date in respect of an Asset Purchaser, items (i), (iii), (iv), (v), (vi), (vii) and (ix) of the Asset Purchaser Principal Available Amounts in relation to the immediately preceding Note Collection Period, divided by the Outstanding Principal Amount of the Mortgage Receivables of such Asset Purchaser on the first day of the immediately preceding Note Collection Period.

**Loss Rate** means on any Note Payment Date in respect of an Asset Purchaser, the Realised Losses in respect of such Asset Purchaser in the preceding Note Collection Period, divided by the Outstanding Principal Amount of the Mortgage Receivables of such Asset Purchaser on the first day of the immediately preceding Note Collection Period.

**Principal Payments after a Trigger Event**



After the occurrence of a Trigger Event and before delivery of an Enforcement Notice or an Asset Purchaser Enforcement Notice in respect of such Asset Purchaser, the Asset Purchaser Principal Available Amount will be applied by the relevant Asset Purchaser on the immediately succeeding Note Payment Date in or towards satisfaction of principal due under the relevant IC Loans until fully repaid.

**Priority of Payments upon Enforcement of Asset Purchaser prior to an Enforcement Notice**

Prior to the delivery of an Enforcement Notice but after the delivery of an Asset Purchaser Enforcement Notice relating to the relevant Asset Purchaser, any amounts payable by the Security Trustee in respect of the relevant Asset Purchaser Secured Parties will be paid as follows (in each case only if and to the extent that payments or provisions of a higher order of priority have been paid in full) (the '**Priority of Payments upon Enforcement of Asset Purchaser prior to an Enforcement Notice**')

- (a) *first*, in or towards satisfaction, pro rata, according to the respective amounts thereof, of (i) the fees or other remuneration due and payable to the relevant Asset Purchaser Director in connection with the relevant Asset Purchaser Management Agreement, (ii) the fees or other remuneration due and payable to the Holding Director and the Security Trustee Director in connection with the relevant Management Agreements and any costs, charges, liabilities and expenses incurred by the Security Trustee under or in connection with any of the Relevant Asset Purchasers Documents, to the extent these amount under (ii) are related to the relevant Asset Purchaser and in respect of general costs which cannot be attributed to a certain Asset Purchaser, multiplied by the IC Loan Quarterly Fraction, (iii) fees and expenses due and payable to the relevant Asset Purchaser Administrator and the relevant Pool Servicer under the relevant Asset Purchaser Servicing Agreement, and (iv) any cost, charge, liability and expenses incurred by the Security Trustee under or in connection with any of the Relevant Asset Purchaser Documents, which will include, *inter alia*, fees and expenses of the Rating Agencies, any legal advisor, auditor or accountant appointed by the Security Trustee to the extent these amounts are related to the relevant Asset Purchaser and in respect of general costs which cannot be attributed to a certain Asset Purchaser, multiplied by the IC Loan Quarterly Fraction;
- (b) *second*, in or towards satisfaction of amounts, if any, due but unpaid under the relevant Asset Purchaser Cashflow Swap Agreement except for any Asset Purchaser Cashflow Swap Counterparty Default Payment payable under (e) below;
- (c) *third*, in or towards satisfaction, pro rata, of (i) interest due in respect of the relevant IC Loans and (ii) IC Loan Costs due and payable by such Asset Purchaser;
- (d) *fourth*, in or towards satisfaction of principal and any other amounts due but unpaid in respect of the relevant IC Loans, but excluding any gross-up amounts due under the relevant IC Loan Agreement and payable under (f) below;
- (e) *fifth*, in or towards satisfaction of the Asset Purchaser Cashflow Swap Counterparty Default Payment payable to the relevant Asset Purchaser Cashflow Swap Counterparty under the terms of the relevant Asset Purchaser Cashflow Swap Agreement;
- (f) *sixth*, in or towards satisfaction, pro rata, according to the respective amounts thereof, of gross-up amounts or additional amounts due, if any, to the Issuer pursuant to the relevant IC Loan Agreement;
- (g) *seventh*, in or towards satisfaction of a Deferred Purchase Price Instalment to the relevant Seller.

The Security Trustee may at its discretion serve an Asset Purchaser Enforcement Notice, i.e. a notice to the relevant Asset Purchaser that the IC Loans of such Asset Purchaser are and each IC Loan shall become immediately due and payable at their Principal Outstanding Amount, together with accrued interest, if any, if an IC Loan Event of Default occurs.

**IC Loan Principal Deficiency Ledger**

A ledger will be established by or on behalf of each Asset Purchaser in order to record any Realised Losses (as defined below) (each such ledger an '**IC Loan Principal Deficiency Ledger**') on the Mortgage Receivables of the relevant Asset Purchaser including any Realised Losses on the repurchase or sale of the Mortgage Receivables of the relevant Asset Purchaser (such amounts together in respect of the relevant Asset Purchaser the '**IC Loan Principal Deficiency**') in respect of such Asset Purchaser). Any Realised Loss shall be debited to the relevant IC Loan Principal Deficiency Ledger (such debit item being recredited at item (f) of the Asset Purchaser Interest Priority of Payments) so

long as the debit balance on such ledger is less than the Principal Outstanding Amount of all IC Loans of such Asset Purchaser.

If on a Note Payment Date the Notes of a Series and Class or Sub-class (other than the Class E Notes) are redeemed and such Notes are repaid in full (for the avoidance of doubt, except for any Issuer Principal Deficiency), or if on a Note Payment Date, a Reserved Ledger Repayment Debit is made, then the Principal Outstanding Amount of all IC Loans and the IC Loan Principal Deficiency Ledgers of all Asset Purchasers (who have an amount recorded on the IC Loan Principal Deficiency Ledger) will be reduced with a pro rata part of the amount equal to the unpaid Issuer Principal Deficiency on such Notes (if any), other than Class E Notes, and the Reserved Ledger Repayment Debit. Such amount shall be allocated to each Asset Purchaser for a *pro rata* part, calculated by reference to the balance recorded on the relevant IC Loan Principal Deficiency Ledger divided by the debit balance recorded on all IC Loan Principal Deficiency Ledgers.

On each Note Payment Date the amounts credited to the relevant IC Loan Principal Deficiency Ledger as item (f) of the Asset Purchaser Interest Priority of Payments will form part of the Asset Purchaser Principal Available Amount.

'**Realised Losses**' means, in respect of any period and in respect of an Asset Purchaser, the sum of (a) the amount of the difference between (y) the aggregate Outstanding Principal Amount in respect of all Mortgage Receivables in respect of which the relevant Seller, the relevant Pool Servicer or the relevant Asset Purchaser has foreclosed in such period, less with respect to the Savings Mortgage Receivables and Hybrid Savings Mortgage Receivables, the Participations, and (z) the amount of the Net Proceeds applied to reduce the Outstanding Principal Amount of such Mortgage Receivables, less with respect to the Savings Mortgage Receivables and Hybrid Savings Mortgage Receivables, the Participations, and (b), with respect to the Mortgage Receivables sold by the Asset Purchaser, the amount of the difference, if any, between (y) the aggregate Outstanding Principal Amount of the Mortgage Receivables, less with respect to the Savings Mortgage Receivables and Hybrid Savings Mortgage Receivables, the Participations, and (z) the purchase price of the Mortgage Receivables sold to the extent relating to principal, less with respect to the Savings Mortgage Receivables and Hybrid Savings Mortgage Receivables, the Participations, whereby, in case of items (a) and (b), for the purpose of establishing the Outstanding Principal Amount in the case of set-off or defence to payments asserted by the Borrowers any amount by which the Mortgage Receivables have been extinguished ("*teniet gegaan*") will be disregarded.

### **Interest Rate Hedging**

The Mortgage Loans bear a fixed rate of interest, which is subject to a reset from time to time, or a floating rate of interest. The IC Loans bear a floating interest rate. Each Asset Purchaser will hedge its interest rate exposure by entering into an Asset Purchaser Cashflow Swap Agreement with the relevant Asset Purchaser Cashflow Swap Counterparty on the Programme Closing Date or the Asset Purchaser Accession Date.

Under the relevant Asset Purchaser Cashflow Swap Agreement, the relevant Asset Purchaser will agree to pay on each Note Payment Date amounts equal to the sum of:

- (a) the interest, including any prepayment penalties and penalty interest, received on the Mortgage Receivables in the preceding Note Collection Period, less with respect to the Savings Mortgage Receivables and Hybrid Savings Mortgage Receivables, an amount equal to such interest times the Participation Fraction; and
- (b) the interest accrued on the Asset Purchaser Collection Account during the immediately preceding Note Collection Period and revenue on any relevant Eligible Investments made by the Asset Purchaser; less
- (c) an excess margin of 0.5 per cent. per annum applied to (a) the Principal Outstanding Amount of all IC Loans of the relevant Asset Purchaser on the first day of each IC Interest Period in the relevant Floating Rate Interest Period, less (b) any IC Loan Principal Deficiency recorded on the relevant IC Loan Principal Deficiency Ledger, on the first day of the relevant Floating Rate Interest Period (the '**Excess Margin**'); and less
- (d) the expenses set out in items (a) up to and including (c) of the Asset Purchaser Interest Priority of Payments payable on such Note Payment Date; and less
- (e) the IC Loan Costs payable by the relevant Asset Purchaser on such Note Payment Date; and less
- (f) an amount equal to Euro 1,620 on the first Note Payment Date of each year.

On each Note Payment Date, the relevant Asset Purchaser Cashflow Swap Counterparty will agree to pay amounts equal to the interest due under the IC Loans of the relevant Asset Purchaser, provided that if there is an IC Loan Principal Deficiency recorded on the relevant IC Loan Principal Deficiency Ledger as at the first day of such Floating Rate Interest Period (taking into account the amount of principal repaid and any amount credited to such IC Loan Principal Deficiency Ledger on such day), the relevant Asset Purchaser Cashflow Swap Counterparty shall not pay such part of interest payable on the IC Loans that corresponds to such IC Loan Principal Deficiency.

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

Upon the early termination of an Asset Purchaser Cashflow Swap Agreement, the relevant Asset Purchaser or the relevant Asset Purchaser Cashflow Swap Counterparty may be liable to make a termination payment to the other party. The amount of any termination payment will be based on the market value of the relevant terminated Asset Purchaser Cashflow 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 an Asset Purchaser is required to withhold or deduct an amount in respect of tax from payments due from it to the relevant Asset Purchaser Cashflow Swap Counterparty, the relevant Asset Purchaser will not be required pursuant to the terms of the relevant Asset Purchaser Cashflow Swap Agreement to pay the Asset Purchaser Cashflow Swap Counterparty such amounts as would otherwise have been required to ensure that the Asset Purchaser Cashflow Swap Counterparty received the same amounts that it would have received had such withholding or deduction not been made.

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

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

In an Asset Purchaser Cashflow Swap Counterparty Downgrade Event, the relevant Asset Purchaser Cashflow Swap Counterparty will be required to take certain remedial measures which may include the provision of collateral for its obligations under the relevant Asset Purchaser Cashflow Swap Agreement, arranging for its obligations under the relevant Asset Purchaser Cashflow Swap Agreement to be transferred to an entity with the Asset Purchaser Cashflow Swap Required Ratings, procuring another entity with at least the Asset Purchaser Cashflow Swap Required Ratings to become co-obligor in respect of its obligations under the relevant Asset Purchaser Cashflow Swap Agreement, or the taking of such other action as it may agree with the Rating Agencies.

A failure to take such steps, subject to certain conditions, will give the Asset Purchaser a right to terminate the relevant Asset Purchaser Cashflow Swap Agreement.

Any collateral transferred by an Asset Purchaser Cashflow Swap Counterparty in accordance with the provisions set out above which is in excess of its obligations to the relevant Asset Purchaser under the relevant Asset Purchaser Cashflow Swap Agreement will be returned to such Asset Purchaser Cashflow Swap Counterparty prior to the distribution of any amounts due to the Noteholders or the other Asset Purchaser Secured Parties.

### **Sale of Mortgage Receivables**

Under the terms of each Asset Purchaser Trust Agreement, the relevant Asset Purchaser will have the right to sell and assign all or part of the Mortgage Receivables on a Note Payment Date, provided that the Asset Purchaser shall apply the proceeds of such sale (i) to repay principal that is due under the relevant IC Loans or (ii) to repay principal that is not due under the relevant IC Loans, but in respect of which the Asset Purchaser has a best efforts obligation to repay certain amounts in order to enable the Issuer to redeem a Series and Class, or Sub-class, of Notes or all Notes in certain events. See *IC Loan Agreements* below. Furthermore, under the terms of the Asset Purchaser Mortgage Receivables Purchase Agreement, the relevant Asset Purchaser shall be obliged to sell and assign the Mortgage Receivables to the relevant Seller, or any third party appointed by such Seller at its sole discretion, if it exercises its Regulatory Call Option and in such event the Asset Purchaser has the right to sell the Mortgage Receivables to the relevant Seller, provided that it shall apply the proceeds of such sale to repay principal due under the relevant IC Loan Agreement. The purchase price of each Mortgage Receivable in the event of such sale shall at least be equal to the Outstanding Principal Amount, together with accrued interest due but unpaid, if any, in respect of each Mortgage Receivable except that with respect to Mortgage Receivables which are in arrears for a period exceeding 90 days or in respect of which an instruction has been given to the civil-law notary to start foreclosure proceedings, the purchase price shall be at least the lesser of (i) an amount equal to the indexed foreclosure value of the Mortgaged Assets or, if no valuation report of less than twelve (12) months old is available, the indexed foreclosure value of the Mortgaged Assets and (ii) the sum of the Outstanding Principal Amount of the Mortgage Receivable, together with accrued interest due but unpaid, if any, and any other amounts due under the Mortgage Receivable.

If an Asset Purchaser decides to offer for sale (part of) the Mortgage Receivables, it will first offer such Mortgage Receivables to the relevant Seller. The relevant Seller shall within a period of 15 business days of the offer inform the relevant Asset Purchaser whether it wishes to repurchase the Mortgage Receivables. After such 15 business day period, the relevant Asset Purchaser may offer such Mortgage Receivables for sale to any third party.

### **Concentration limits upon downgrade**

If (i) the credit rating of FBN Holding's short-term unsecured, unsubordinated and unguaranteed debt obligations falls below A-1 by S&P or such rating is withdrawn and (ii)(x) the percentage of the Outstanding Principal Amount of all Life Mortgage Loans with a Life Insurance Policy with the same Insurance Company (whereby all Fortis Insurance Companies will be considered as one Insurance Company) held by all Asset Purchasers together exceeds 50 per cent. of the Outstanding Principal Amount of all Mortgage Receivables held by all Asset Purchasers together and/or (y) the percentage of the Available Credit Facilities of all Revolving Credit Mortgage Receivables held by all Asset Purchasers together exceeds 15 per cent. of the Outstanding Principal Amount of all Mortgage Receivables held by all Asset purchasers together, each Asset Purchaser shall sell within 60 days:

- (a) if condition (i) and (ii) (x) apply, Life Mortgage Receivables with an Outstanding Principal Amount at least equal to a pro-rata part of the percentage by which all Life Mortgage Loans with a Life Insurance Policy with the same Insurance Company exceed 50 per cent. of all Mortgage Receivables calculated in accordance with item (ii)(x) multiplied by the Outstanding Principal Amount of all Mortgage Receivables held by all Asset Purchasers together, whereby the pro-rata part will be calculated by dividing the Outstanding Principal Amount of the Life Mortgage Receivables held by such Asset Purchaser by the Outstanding Principal Amount of all Mortgage Receivables held by all Asset Purchasers; and
- (b) if condition (i) and (ii) (y) apply, Revolving Credit Mortgage Receivables with an Outstanding Principal Amount at least equal to a pro-rata part of the percentage by which the Available Credit Facilities exceed 15 per cent. as calculated in accordance with item (ii) (y) multiplied by the Outstanding Principal Amount of all Mortgage Receivables held by all Asset Purchasers together, whereby the pro-rata part will be calculated by

dividing the Outstanding Principal Amount of the Revolving Credit Mortgage Receivables held by such Asset Purchaser by the Outstanding Principal Amount of all Mortgage Receivables held by all Asset Purchasers.

## CREDIT STRUCTURE ISSUER

*The structure of the credit arrangements for the issue of Notes under the Programme may be summarised as follows.*

### **Issuer Accounts**

The Issuer will maintain with the Issuer GIC Provider the Issuer Collection Account to which all amounts received (i) in respect of the IC Loans and (ii) from the other parties to the Programme Agreement, the Issuer Pledge Agreement, the Issuer Currency Swap Agreements, IC Loan Agreements, the Issuer Trust Deed, the Issuer Parallel Debt Agreement, the Notes Purchase Agreements, the Paying Agency Agreement, the Holding Management Agreement, the Security Trustee Management Agreement and the Issuer Management Agreement (together with the Issuer GIC, the **'Relevant Issuer Documents'**) will be paid.

The Issuer Administrator will identify all amounts paid into the Issuer Collection Account by crediting such amounts to ledgers established for such purpose. Payments received on each Monthly Payment Date in respect of the IC Loans will be identified as principal or revenue receipts and credited to the Principal Ledger or the Revenue Ledger, as the case may be.

If during any Issuer Collection Period the balance due on the credit of the Issuer Collection Account exceeds 1.5 per cent. of the Principal Amount Outstanding of all Notes, the Issuer may at its option, invest such funds into (A) euro denominated securities, subject to certain conditions, including that such securities may not have a maturity beyond the immediately succeeding Note Payment Date and that such securities have been assigned the Eligible Investments Minimum Ratings or (B) ECB Tier 1 Eligible securities or (C) in other securities provided that the Rating Agencies, other than Moody's, have given prior confirmation that such investment will not result in a reduction of the ratings assigned to the Notes below the Minimum Ratings of the Notes or, if the ratings of the Notes are below the Minimum Ratings of the Notes, will not adversely affect the then current ratings assigned to the Notes and, in respect of Moody's, the notification of the Security Trustee to Moody's that the Security Trustee, in its reasonable opinion, does not expect that the current ratings assigned to the Notes by Moody's will be adversely affected (the **'Issuer Eligible Investments'** and together with the Asset Purchaser Eligible Investments as defined under *Credit Structure Asset Purchasers* below, the **'Eligible Investments'**).

Payments from the Issuer Collection Account other than on a Note Payment Date, may only be made to satisfy (i) amounts due to third parties (other than pursuant to the Relevant Issuer Documents) and under obligations incurred in the Issuer's business, (ii) amounts applied towards the granting of IC Loans or towards the purchase of Notes and (iii) investments in Issuer Eligible Investments.

The Issuer will also maintain with the Issuer GIC Provider the Issuer Reserve Account (see below).

If at any time an Issuer GIC Provider Rating Downgrade Event occurs, then the Issuer GIC Provider will use its best efforts within thirty (30) days of any such event (i) to obtain a third party, having at least the GIC Provider Required Rating to guarantee the obligations of the Issuer GIC Provider, or (ii) to find an alternative gic provider acceptable to the Rating Agencies and the Security Trustee or (iii) to find any other solution acceptable to the Rating Agencies to maintain the ratings assigned to the Notes at least at the Minimum Ratings of the Notes, or, if the ratings of the Notes are below the Minimum Ratings of the Notes, to maintain the then current ratings assigned to the Notes.

### **Issuer Interest Cash Flows**

On each Note Calculation Date the Issuer Administrator will calculate the sum of the following amounts received or to be received (a) in relation to item (i), (iii) up to and including (v) the Issuer Collection Period in which such Note Calculation Date falls, and (b) in relation to item (ii) a Note Collection Period immediately preceding such Note Calculation Date (items (i) up to and including (v) together the **'Issuer Interest Available Amount'**):

- (i) as interest and IC Loan Costs on each IC Loan;
- (ii) as interest and any revenue on any Eligible Investments made by the Issuer credited to the Issuer Accounts in the Note Collection Period immediately preceding such Note Calculation Date;

- (iii) as amounts to be received on the relevant Issue Date in excess of the Principal Amount Outstanding of the Notes issued on such date;
- (iv) as amounts to be drawn from the Unreserved Ledger (excluding any amounts applied towards the redemption of Class E Notes in accordance with the Issuer Trust Deed) and/or released from the Reserved Ledger following a Reserved Ledger Release (as defined below);
- (v) as amounts to be received from an Issuer Currency Swap Counterparty under an Issuer Currency Swap Agreement, to the extent not relating to principal;
- (vi) on the Note Payment Date on which all Notes (excluding the Class E Notes) are redeemed in full or will be redeemed in full at the following Note Payment Date, the remaining balance of the Issuer Accounts, if any.

Each Issuer Collection Period will commence on (but exclude) a relevant Note Payment Date and end on (and include) the next succeeding Note Payment Date, except for the first Issuer Collection Period which will commence on and include the first Issue Date and end on (and include) the next succeeding Note Payment Date (each such period an '**Issuer Collection Period**').

#### **Issuer Interest Priority of Payments**

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

- (a) *first*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of the fees or other remuneration due and payable to the Issuer Director, the Security Trustee Director and the Holding Director in connection with the Issuer Management Agreement, the Security Trustee Management Agreement and the Holding Management Agreement and any costs, charges, liabilities and expenses incurred by the Security Trustee under or in connection with any of the Relevant Issuer Documents to the extent not paid by an Asset Purchaser on such date;
- (b) *second*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of administration fees and expenses due and payable to the Issuer Administrator under the Issuer Administration Agreement;
- (c) *third*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, (i) of any amounts due and payable to third parties under obligations incurred in the Issuer's business (other than under the Relevant Issuer Documents), including, without limitation, in or towards satisfaction of sums due or provisions for any payment of the Issuer's liability, if any, to tax and the fees and expenses of the Rating Agencies and any legal advisor, auditor and accountant appointed by the Issuer or the Security Trustee and (ii) fees and expenses due to the Principal Paying Agent, the Paying Agent and the Reference Agent under the Paying Agency Agreement;
- (d) *fourth*, in or towards satisfaction of amounts, if any, due but unpaid under the relevant Issuer Currency Swap Agreement, to the extent not related to principal, if any, except for (i) any termination payment due or payable (a) as a result of the occurrence of an Event of Default where the Issuer Currency Swap Counterparty is the Defaulting Party or (b) an Issuer Currency Swap Counterparty Downgrade Event, including a Settlement Amount (each as defined in the Issuer Currency Swap Agreement) (an '**Issuer Currency Swap Counterparty Default Payment**') payable under (o) below;
- (e) *fifth*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of interest due in respect of the Class A Notes;
- (f) *sixth*, in or towards making good, any shortfall reflected in the Class A Principal Deficiency Ledger until the debit balance, if any, on the Class A Principal Deficiency Ledger is reduced to zero;
- (g) *seventh*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of interest due or accrued due but unpaid on the Class B Notes;

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

#### **Principal Cash Flows**

On each Note Calculation Date the Issuer Administrator will calculate the sum of the following amounts received or held in relation to the Issuer Collection Period in which such Note Calculation Date falls (items (i) up to and including (vii) hereinafter referred to as the '**Issuer Principal Available Amount**')

- (i) as repayment and prepayment in full or in part of principal under the IC Loans;
- (ii) any part of the relevant Issuer Principal Available Amount calculated on the immediately preceding Note Calculation Date which has not been applied towards (a) redemption of the Notes, (b) granting of any IC Loan and (c) the Purchase of Notes;
- (iii) the net proceeds from the issue of any Notes, other than Class E Notes, issued during that Issuer Collection Period;
- (iv) amounts to be received from the Issuer Currency Swap Counterparty under the Issuer Currency Swap Agreement, to the extent relating to principal;
- (v) as amounts to be drawn from the Reserved Ledger as a result of a Reserved Ledger Repayment Debit;

less:

- (vi) any part of Issuer Principal Available Amount, which has been applied towards the granting of any further IC Loans or the purchase of Notes from (but excluding) the immediately preceding Note Payment Date up to (but excluding) the immediately succeeding Note Payment Date;
- (vii) the amounts to be paid to the Issuer Currency Swap Counterparty under the Issuer Currency Swap Agreement to the extent relating to principal.

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

The Issuer may (a) on each Monthly Payment Date that is not a Note Payment Date, but prior to (i) the occurrence of a Trigger Event or (ii) the delivery of an Enforcement Notice or an Asset Purchaser Enforcement Notice with respect to the relevant Asset Purchaser, apply (or reserve to be applied after such Monthly Payment Date) amounts received as



items (i), (ii) and (iii) of the Issuer Principal Available Amount in the relevant Issuer Collection Period until such Monthly Payment Date less the sum of the Asset Purchaser Pass-through Payable Amounts payable in the relevant Issuer Collection Period until such Monthly Payment Date, towards (i) the granting of further IC Loans to Asset Purchasers on such Monthly Payment Date or on any date thereafter up to (but excluding) the immediately succeeding Monthly Payment Date or (ii) the purchase of Notes (other than the Class C Notes), subject to the Conditions and the Issuer Trust Deed on such Monthly Payment Date or on any date thereafter up to (but excluding) the immediately succeeding Monthly Payment Date and (b) on any date use the proceeds of the issue of a Class of Notes towards the purchase of Notes of the same Class on such date or towards the granting of IC Loans on such date.

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

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

The amount available for redemption of the Pass-through Notes will, in the case of mandatory redemption within the meaning of Condition 6(b), be equal to the sum of all Asset Purchaser Pass-through Payable Amounts in respect of each Asset Purchaser payable in the relevant Issuer Collection Period (the '**Issuer Pass-through Principal Available Amount**') )

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

$$A \times B/C$$

where:

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

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

$$A \times B/C$$

where:

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

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

$$A \times B/C$$

where:

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

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

$$A \times B/C$$

where:

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

If the Pro-rata Condition is not satisfied, the Issuer Pass-through Principal Available Amount will be applied to redeem the Pass-through Notes on a sequential basis.

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

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

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

#### **Issuer Principal Priority of Payments prior to a Trigger Event**

Prior to (i) the occurrence of a Trigger Event or (ii) the delivery of an Enforcement Notice on the immediately succeeding Note Payment Date, the Issuer Principal Available Amount will be applied by the Issuer as follows (and in each case only if and to the extent that payments or provisions of a higher priority have been made in full) (the '**Issuer Principal Priority of Payments prior to a Trigger Event**'):

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

### Issuer Principal Priority of Payments after a Trigger Event

After the occurrence of a Trigger Event and before delivery of an Enforcement Notice, the Issuer Principal Available Amount will be applied by the Issuer on the immediately succeeding Note Payment Date as follows (and in each case only if and to the extent that payments or provisions of a higher priority have been made in full) (the '**Issuer Principal Priority of Payments after a Trigger Event**')

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

### Trigger Event

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

- an amount is debited to the Class A Principal Deficiency Ledger; or
- the 403-Guarantor or any Seller takes any corporate action or other steps are taken or legal proceedings are started or threatened against it for its dissolution ("*ontbinding*") and liquidation ("*vereffening*") or any of its assets are placed under administration ("*onder bewind gesteld*"); or
- the 403-Guarantor or any Seller has taken any corporate action or any steps have been taken or legal proceedings have been commenced against it for the 403-Guarantor or a Seller entering into suspension of payments ("*surseance van betaling*"), or if applicable, emergency regulations ("*noodregeling*") as referred to in Chapter 3 of the Act on Financial Supervision ("*Wet op het financieel toezicht*" or "Wft") as amended from time to time or for bankruptcy ("*faillissement*") or for any analogous insolvency proceedings under any applicable law or for the appointment of a receiver or a similar officer of it or of any or all of its assets;

### Priority of Payments upon Enforcement

Following delivery of an Enforcement Notice, any amounts payable by the Security Trustee will be paid to the Programme Secured Parties (including the Noteholders) in the following order of priority (and in each case only if and to the extent payments of a higher priority have been made in full) (the '**Priority of Payments upon Enforcement**')

- (a) *first*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of (i) the fees or other remuneration due to the Directors (ii) any cost, charge, liability and expenses incurred by the Security Trustee under or in connection with any of the Relevant Documents, which will include, *inter alia*, fees and expenses of the Rating Agencies, any legal advisor, auditor or accountant appointed by the Security Trustee, (iii) the fees and expenses of the Principal Paying Agent, the Paying Agent and the Reference Agent incurred under the provisions of the Paying Agency Agreement, (iv) the fees and expenses of the Issuer Administrator and the Asset Purchaser Administrators and the Pool Servicers under the Asset Purchaser Servicing Agreements and the Issuer Administration Agreement;
- (b) *second*, in or towards satisfaction of amounts, *pro rata*, if any, due but unpaid under the Swap Agreements, except for any Issuer Currency Swap Counterparty Default Payments and Asset Purchaser Cashflow Swap Counterparty Default Payments payable under subparagraph (m) below;
- (c) *third*, in or towards satisfaction of all amounts of interest due in respect of the Class A Notes;
- (d) *fourth*, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Class A Notes;
- (e) *fifth*, in or towards satisfaction of all amounts of interest due or accrued due but unpaid in respect of the Class B Notes;

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

#### **Issuer Reserve Account**

The net proceeds of each issue of Class E Notes will be credited to the Issuer Reserve Account and the Unreserved Ledger.

Amounts credited to the Unreserved Ledger will be available on any Note Payment Date to meet items (a) to (m) inclusive of the Issuer Interest Priority of Payments.

If and to the extent that the relevant Issuer Interest Available Amount on any Note Calculation Date exceeds the amounts required to meet items ranking higher than item (n) of the Issuer Interest Priority of Payments, the excess amount will be applied to replenish the Unreserved Ledger, to the extent required until the balance remaining on the Unreserved Ledger equals the Unreserved Ledger Required Amount.

The '**Unreserved Ledger Required Amount**' shall, on any date, be equal to the aggregate Principal Amount Outstanding of the Class E Notes of all Series on their respective Issue Dates that are outstanding on such date, taking into account any redemptions and any issuances of Class E Notes to be made on such date.

Amounts applied towards items (f), (h), (j) and (l) of the Issuer Interest Priority of Payments will be credited to the Reserved Ledger.

On a Note Payment Date on which any Class E Note is repaid in full (for the avoidance of doubt, except for any Class E Principal Shortfall on such Class E Note), the Issuer Administrator will credit a sub-ledger of the Reserved Ledger of the Reserve Account created for such purpose (the '**Reserved Ledger Repayment Debit Ledger**') (if and to the extent there is a credit balance on the Reserved Ledger) with the amount of the Class E Principal Shortfall, if any, in respect of such Class E Note.

On any Note Payment Date, the Issuer has the option to debit the Reserved Ledger for an amount up to the credit balance of the Reserved Ledger Repayment Debit Ledger on such date (after repayment of any Class E Note on such date).

On any Note Payment Date on which the Issuer Principal Available Amounts is insufficient to repay the Series and Class or Sub-class of Notes to be redeemed on such date, other than Class E Notes, the Issuer has the obligation to debit the Reserved Ledger for the amount of such shortfall, firstly from the Reserved Ledger Repayment Debit Ledger and thereafter the other amounts credited to the Reserved Ledger.

Any such debit from the Reserved Ledger on any Note Payment Date will be referred to as a '**Reserved Ledger Repayment Debit**', and will be transferred from the Issuer Reserve Account to the Issuer Collection Account and will form part of the Issuer Principal Available Amount on that Note Payment Date and will be debited from the Reserved Ledger Repayment Debit Ledger and/or the Reserved Ledger, as the case may be.

On a Note Payment Date on which all Class E Notes of a Series and Class, or, if such Class E Notes comprises of two or more Sub-classes, all Notes of the relevant Sub-class will be repaid, the Unreserved Ledger will be debited on that Note Payment Date (such debit being referred to as '**Unreserved Ledger Repayment Debit**') with an amount equal to:

- a) the Principal Amount Outstanding of the Class E Notes of that Series and Class or Sub-class thereof, divided by the Principal Amount Outstanding of all Class E Notes on such Note Payment Date (after giving effect to any issue of Class E Notes on such date, but before any repayment of any Class E Notes on such date); multiplied by
- b) the amount standing to the credit of the Unreserved Ledger on such Note Payment Date, after giving effect to any issue of Class E Notes on such date and any other drawing from the Unreserved Ledger on such date.

The amount of the Unreserved Ledger Repayment Debit shall be applied towards the redemption of the Class E Notes of the relevant Series and Class or Sub-class.

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

An Issuer Interest Deficiency Ledger (the '**Issuer Interest Deficiency Ledger**' comprising five sub-ledgers, known as the '**Class A Interest Deficiency Ledger**', the '**Class B Interest Deficiency Ledger**', the '**Class C Interest Deficiency Ledger**', the '**Class D Interest Deficiency Ledger**', and the '**Class E Interest Deficiency Ledger**' respectively, will be established by or on behalf of the Issuer in order to record any amounts of unpaid interest on the (relevant Class of) Notes.

An issuer principal deficiency ledger ( the '**Issuer Principal Deficiency Ledger** comprising four sub-ledgers, known as the '**Class A Principal Deficiency Ledger**', the '**Class B Principal Deficiency Ledger**', the '**Class C Principal Deficiency Ledger**' and the '**Class D Principal Deficiency Ledger**', respectively, will be established by or on behalf of the Issuer in order to record any amounts standing to the debit of all IC Loan Principal Deficiency Ledgers (each balance standing to the relevant Issuer Principal Deficiency Ledger respectively the '**Class A Principal Deficiency**', the '**Class B Principal Deficiency**', the '**Class C Principal Deficiency**' and the '**Class D Principal Deficiency**', together a '**Issuer Principal Deficiency**').

The balance on the Class D Principal Deficiency Ledger will be an amount equal to the aggregate balance on the IC Loan Principal Deficiency Ledgers of all Asset Purchasers on the relevant Note Payment Date (for the avoidance of doubt, as reduced by any amounts credited to each IC Loan Principal Deficiency Ledger on such date after application of the relevant Asset Purchaser Interest Available Amount) less any amounts standing to the credit of the Reserved Ledger (prior to the application of the Issuer Interest Available Amount) on such date until and to the extent the balance on all IC Loan Principal Deficiency Ledgers does not exceed the Principal Amount Outstanding on all Class D Notes.

If the aggregate balance on each IC Loan Principal Deficiency Ledger on the relevant Note Payment Date less any amounts remaining on the balance of the Reserved Ledger on such date (for the avoidance of doubt, as reduced with any amounts credited to each IC Loan Principal Deficiency Ledger on such date after application of the relevant Asset Purchaser Interest Available Amount) exceeds the Principal Amount Outstanding of all Class D Notes outstanding on such date but only to the extent the balance on the IC Loan Principal Deficiency Ledgers (less any amounts on the balance of credit of the Reserved Ledger on such date) does not exceed the Principal Amount Outstanding on all Class C Notes and all Class D Notes, the balance on the Class C Principal Deficiency Ledger will be an amount equal to the balance on the IC Loan Principal Deficiency Ledgers of all Asset Purchasers less (i) the balance on the Class D Principal Deficiency Ledger on such date and (ii) any amounts on the balance of the Reserved Ledger on such date.

If the aggregate balance on each IC Loan Principal Deficiency Ledger on the relevant Note Payment Date less any amounts on the balance of the Reserved Ledger on such date (for the avoidance of doubt, as reduced with any amounts credited to each IC Loan Principal Deficiency Ledger on such date after application of the relevant Asset Purchaser Interest Available Amount) exceeds the Principal Amount Outstanding on all Class C Notes and Class D Notes outstanding on such date but only to the extent the balance on the IC Loan Principal Deficiency Ledgers (less any amounts standing to the credit of the Reserved Ledger on such date) does not exceed the Principal Amount Outstanding on all Class B Notes, all Class C Notes and all Class D Notes, the balance on the Class B Principal Deficiency Ledger will be an amount equal to the balance on the IC Loan Principal Deficiency Ledgers of all Asset Purchasers less (i) the balance on the Class C Principal Deficiency Ledger on such date, (ii) the balance on the Class D Principal Deficiency Ledger on such date and (iii) less any amounts remaining on the balance of the Reserved Ledger on such date.

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

Amounts credited to the relevant Issuer Principal Deficiency Ledgers in accordance with items (f), (h), (j) and (l) of the Issuer Interest Priority of Payments will be reserved and recorded in a ledger for such purpose (the '**Reserved Ledger**').

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

### **Currency Hedging**

In order to hedge its payment obligations in any currency other than euros under any Class or Sub-class of Notes against variations in the exchange rate of the euro vis-à-vis such currency, the Issuer will enter into an Issuer Currency Swap Agreement with an Issuer Currency Swap Counterparty.

Each Issuer Currency Swap Agreement entered into by the Issuer will be documented under an ISDA Master Agreement. The Issuer Currency Swap Agreements may be terminated in accordance with Events of Default and Termination Events (each as defined in the relevant ISDA Master Agreement) commonly found in standard ISDA documentation. Each Issuer Currency Swap Agreement will be terminable by one party if (i) an applicable Event of Default or Termination Event (as defined therein) occurs in relation to the other party, (ii) it becomes unlawful for either party to perform its obligations under the relevant Issuer Currency Swap Agreement or (iii) an Enforcement Notice is

served. Events of Default under the Issuer Currency Swap Agreements in relation to the Issuer will be limited to (i) non-payment under the relevant Issuer Currency Swap Agreement and (ii) certain insolvency events.

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

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

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

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

In an Issuer Currency Swap Counterparty Downgrade Event, the relevant Issuer Currency Swap Counterparty will be required to take certain remedial measures which may include the provision of collateral for its obligations under the relevant Issuer Currency Swap Agreement, arranging for its obligations under the relevant Issuer Currency Swap Agreement to be transferred to an entity with the Issuer Currency Swap Required Rating, procuring another entity with at least the Issuer Currency Swap Required Rating to become co-obligor in respect of its obligations under the relevant Issuer Currency Swap Agreement, or the taking of such other action as it may agree with the Rating Agencies.

A failure to take such steps, subject to certain conditions, will give the Issuer a right to terminate the relevant Issuer Currency Swap Agreement.

Any collateral transferred by an Issuer Currency Swap Counterparty in accordance with the provisions set out above which is in excess of its obligations to the Issuer under an Issuer Currency Swap Agreement will be returned to such Issuer Currency Swap Counterparty prior to the distribution of any amounts due to the Noteholders or the other Programme Secured Parties.

#### **Repayment of Notes on and after the Step-up Date**

Pursuant to the Issuer Trust Deed the Issuer shall use its best efforts to redeem each Note on the relevant Step-up Date of such Note with the proceeds of the issue of new Notes, and if the Issuer is unable to issue sufficient new Notes for such purpose, the Issuer will inform the Asset Purchasers thereof. Pursuant to the IC Loan Agreement the Asset Purchasers undertake their best efforts to repay a *pro rata* part of the IC Loans or any other allocation agreed between the Issuer and each Asset Purchaser, on the Step-up Date, which best efforts undertaking includes the sale of Mortgage Receivables to the extent necessary. The Issuer shall use the proceeds of the repayment of IC Loans to redeem such Note, to the extent available for such purpose.

#### **Purchase of Notes**

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



## OVERVIEW OF THE DUTCH RESIDENTIAL MORTGAGE MARKET

### Historical overview

Since the 19th century, the Dutch housing market has been predominantly a rental market. The Second World War resulted in serious housing shortage. The government solved this problem by building a considerable number of houses to let over very long periods (30 years or more). As a result home-ownership rates in the Netherlands are still lagging the European average.

The Dutch government took several measures to increase home-ownership rates. One of the earliest measures was the establishment of the municipality guarantee program ("*gemeentegarantie*"), now known as the national guarantee system (NHG), in 1956. This made it easier for lower income households to qualify for a residential mortgage loan and hence purchase their own home.

In the 1960's the government also decided to make interest payments on mortgage loans tax deductible. Despite some minor changes in recent years, the mortgage interest tax deductibility still has a positive effect on home ownership percentage in The Netherlands. Following the November 2006 elections the new government indicated that the tax advantages would be maintained.

Aside from measures taken by the government, the rapid growth of economic activity and the increase in the number of double income families led to an increased demand for houses during the 1970s. Towards the end of the 1970s the housing market slowed as a result of a significant downturn in the economy. While the 1980's were characterised by stable market, the strong economic growth and declining interest rate environment experienced throughout most of the 1990s led to a renewed growth in the demand for properties. Mortgage lenders developed new products in order to optimise borrowing capacity and tax benefit. All of these measures led to an increase in home ownership from less than thirty (30) percent post Second World War to fifty six (56)<sup>1</sup> percent in recent years. This rate is still about ten (10) percent lower than average for the rest of Europe. Moreover home ownership in the Netherlands is mainly concentrated in rural areas (seventy (70) percent)<sup>2</sup>, while growing, the owner occupation rates in the cities is around forty five (45)<sup>3</sup> percent. A major hurdle towards the increase of home ownership remains the structural shortage of suitable houses on the market.

### Home ownership development in the future

The Dutch government continues to encourage home ownership. The number of building permits issued in 2006 increased as compared to 2005, bringing it close to ninety six thousand five hundred (96 500) new permits. In 2006, over seventy two thousand (72 000) new houses were finished. A sign that housing output may actually decline in the short term ins the sharp fall in building permits issued, down by 16% in the first nine months of 2007 compared to 2006<sup>4</sup>.

To reduce the structural shortage in Dutch housing market, the government targeted in 2005 to add four hundred forty five thousand (445 000) housing units by 2010, a number which at the current construction pace of around 50,000 dwellings a year<sup>5</sup> might be difficult to achieve. While some additions in units will result from reconversion projects, it is expected that there will remain a shortage of 1.5% in suitable housing units relative to the number of households by 2010<sup>6</sup>.

<sup>1</sup> Source: VROM (Ministry for Housing, Spatial Planning and Environment) and the Royal Institute of Chartered Surveyors: RICS European Housing Review (2008)

<sup>2</sup> Source: VROM (Ministry for Housing, Spatial Planning and Environment)

<sup>3</sup> Source: VROM (Ministry for Housing, Spatial Planning and Environment)

<sup>4</sup> Source: the Royal Institute of Chartered Surveyors: RICS European Housing Review (2008)

<sup>5</sup> Source: the Royal Institute of Chartered Surveyors: RICS European Housing Review (2008)

<sup>6</sup> Source for paragraph: CBS (Statistics Netherlands) and VROM (Ministry for Housing, Spatial Planning and Environment)

Recent drivers of the demand for housing encompass both demographic and economic factors. Supported by a natural birth surplus the Dutch population continues to grow, albeit at a slower pace than in the past decade. In addition, the increase in the number of one person households and the life expectancy rates, continues to drive the demand for new housing units. Taking all these effects into account, the average person to housing unit ratio is projected to fall to 2.21 in 2010 and 2.07 in 2030 from 2.26 in 2005<sup>7</sup>.

From a macroeconomic perspective, The Netherlands has the third highest income per capita in the EU. This has been achieved over many years and sustained by a strong economy for most of the last ten years. Growth was particularly strong in 2006 and 2007, which helped to keep up demand in the housing market despite rising interest rates, the increase in the value of the Euro and rising Labour costs and commodity prices. These unfavourable aspects which may affect the housing market in the short term, are offset by a very tight labour market. By EU standards, unemployment is low and is expected to decrease further, from 3.9% in 2006 to 3.2% in 2007 to 3.1 % in 2008<sup>8</sup>.

### **House price development**

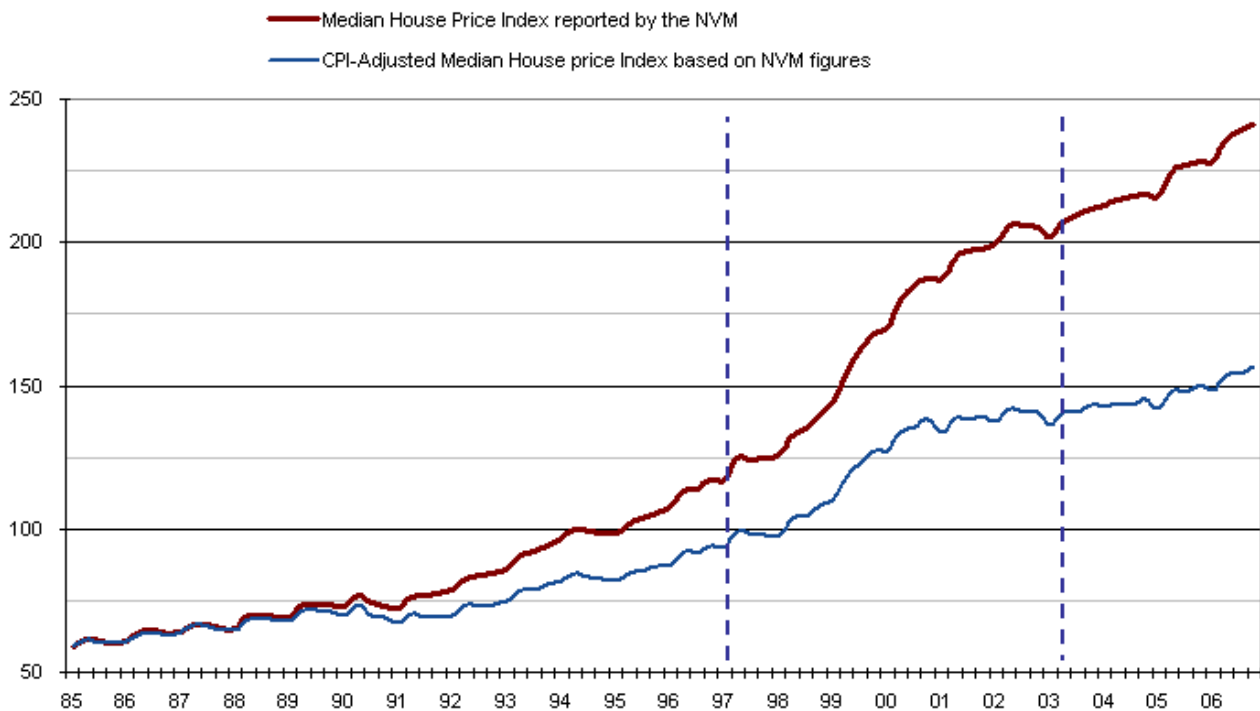
Following the rapid increase in house prices during the 1970's, on the back of high inflation and new government measures to support owner-occupancy, the Dutch housing market was significantly affected by the economic downturn experienced during the period of 1980 and 1981. House prices dropped substantially towards the end of the 1970's and only slowly recovered thereafter. Since 1991 house price inflation has gradually picked up and peaked in the second half of the 1990's.

Subsequent a period of more modest house price growth since 2001, house price growth strengthened between 2004 and 2006, as mortgage interest rates reached their lowest point since the 1950's in mid 2005. House price growth has decreased further in 4Q07 to 3.35%, down from 4.6% YoY Growth in December 2006 and 4.24% in September 2007. The average house price in the Netherlands stood at EUR 247.000 in December 2007<sup>9</sup>. In the short term house price growth may soften as a result of decreasing housing affordability, but strict zoning restrictions and limited land supply will prevent any strong price movements downwards.

<sup>7</sup> Source for paragraph: CBS and VROM (Ministry for Housing, Spatial Planning and Environment)

<sup>8</sup> Source: the Royal Institute of Chartered Surveyors: RICS European Housing Review (2008) and International Monetary Fund (IMF)

<sup>9</sup> Source: NVM (National Association of Real Estate Brokers)

Chart 1. Historical House Prices in the Netherlands<sup>10</sup>

### Mortgage types

Mortgage product development in the Netherlands is primarily driven by tax considerations. The typical mortgage loan products offered by Dutch lenders include the following:

- Savings mortgages;
- Interest only mortgages;
- Investment mortgages;
- Life (insurance) mortgages;
- Annuity mortgages.

A common feature of savings and life mortgages is that they have an insurance component included and that no principal is repaid during the life of the loan (the latter motivated by the tax deductibility framework). For savings and life mortgages, premiums are paid into a separate savings or life insurance policy to build up capital for the repayment of the loan at maturity.

Investment mortgages have increasingly become more popular. For the borrower this product type is even more flexible than savings mortgages and in certain cases, may have an enhanced tax treatment. The borrower can typically select from a wide range of investment funds, some of which are traded on a stock exchange. It is possible to switch from one fund to another. The earnings from the investment might not be sufficient to repay the mortgage loan at maturity. As of the maturity of the investment contract the remaining principal amount outstanding under the investment mortgage will be treated as an interest only mortgage.

<sup>10</sup> Source: NVM (National Association of Real Estate Brokers)

## FORTIS AND THE SELLERS

### General

Fortis is an integrated international group active in the fields of banking and insurance. It operates on a cross-border basis and its organisation is centred around the businesses Retail Banking, Merchant Banking, Private Banking & Asset Management, and Insurance (see below).

Fortis is the market leader in banking and insurance in the Benelux and has developed an extensive European footprint in the retail banking market, operating through a variety of distribution channels. Fortis offers skill-oriented financial services to companies, institutional clients and high net worth individuals and provides integrated solutions to the enterprise and the entrepreneur. Fortis's expertise has made it a regional and in some cases global leader in niche markets, such as energy, commodities and transportation, and fund administration. Fortis successfully combines its banking and insurance skills in growth markets in Europe and Asia.

Fortis ranks among Europe's top 20 financial institutions, with a market capitalisation of EUR 40 billion at year-end 2007. Together with ABN AMRO, it has a presence in over 50 countries and a dedicated, professional workforce of more than 85,000.

The below listed ratings for Fortis Banking entities have been assigned by Fitch Ratings, Moody's and Standard & Poor's:

	Long-Term Debt	Short-Term Debt
Fitch Ratings.....	AA-	F1+
Moody's .....	Aa3	P-1
Standard & Poor's .....	A+	A-1

The below segment reporting breaks out the Groups profitability by its 3 core operating units:

### Key figures Fortis

*in EUR million*

	H1 2008	H1 2007	Change
<b>Net profit before results on divestments</b>	<b>1.638</b>	<b>2.782</b>	<b>(41%)</b>
- Banking	1.185	2.062	(43%)
- Insurance	642	765	(16%)
- General (incl. eliminations)	(189)	(44)	*
<b>Results on divestments</b>	<b>0</b>	<b>0</b>	<b>*</b>
<b>Net profit Fortis</b>	<b>1.638</b>	<b>2.782</b>	<b>(41%)</b>
Weighted average number of ordinary shares (in million)	2.195	1.548	42%
<b>EPS (in EUR)</b>	<b>0,75</b>	<b>1,80</b>	<b>(58%)</b>
- Before results on divestments	0,75	1,80	(58%)
Net equity per share (in EUR)	12,48	12,51	0%
Return on equity	11% <sup>(1)</sup>	22% <sup>(2)</sup>	*

**(1) Rolling average, based on last four quarters**

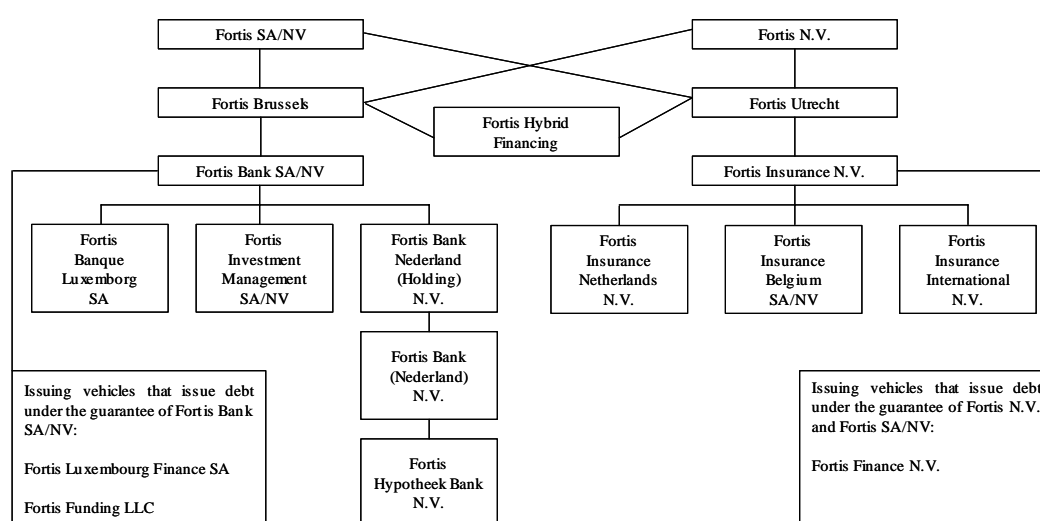
**(2) Refers to full year**

## Group Structure

Fortis is headed by two parent companies, the Belgian Fortis SA/NV and the Dutch Fortis N.V. The two parent companies own, on a 50/50 basis, all the shares of two group holding companies, Fortis Brussels and Fortis Utrecht which are shareholders in operating companies and service companies, either directly or indirectly through subholding companies.

Fortis' banking-related activities (e.g. banking, leasing, factoring and asset management) are grouped under Fortis Bank N.V./S.A. (herein also referred to as the "**Seller**" or "**Fortis Bank**"), a Belgian credit institution ("*kredietinstelling*" / *établissement de crédit*") under supervision of the Banking, Finance and Insurance Commission and with registered office and headquarters located at Montagne du Parc 3 at 1000 Brussels, Belgium. Fortis Bank is approximately 100 per cent. owned by Fortis SA/NV and Fortis N.V. through their subsidiary Fortis Brussels SA/NV. All insurance-related activities are grouped under Fortis Insurance N.V.

### Structure overview



Fortis was created in 1990 when the activities of AG Group (the predecessor of Fortis SA/NV), a large Belgian insurer, and AMEV/VSB (the predecessor of Fortis N.V.) combined their respective operations. AMEV, a large Dutch insurer and VSB, a medium-sized Dutch savings bank, merged earlier that year. At the time of the merger, AG Group held a strong position in the Belgian insurance market and was a market leader in various sectors but had a fairly restricted international presence and only minimal banking interests, while AMEV held a relatively strong position in the Dutch insurance market and enjoyed a fairly strong international insurance position. VSB held a strong position in the Dutch retail market, but lacked a nationwide distribution network. The parent companies, Fortis AG (now Fortis SA/ NV) and Fortis AMEV (now Fortis N.V.), remained separate legal entities.

Fortis has grown substantially since its inception, thanks to both organic growth and acquisitions. Banking and insurance operations were strengthened by a series of takeovers. The group has also disposed of several companies in keeping with its international strategy.

## Business Organization

Fortis is organised in four businesses and a number of support functions, each of which are organised on a cross-border basis.

Each of the four businesses comprises a portfolio of related activities targeting particular customer segments and operating according to common objectives and strategies.

The businesses are:

**Retail Banking**, targeting individuals, professionals and small enterprises with a large range of retail banking products. It is present in the Benelux countries, France, Germany, Ireland, Turkey and Poland.

**Merchant Banking**, incorporating banking services for large international companies and institutions and medium-sized enterprises. It is present in all European countries, and also in selected niche markets in North America (US and Canada) and Asia.

**Private Banking & Asset Management**, incorporating all banking services for high net worth individuals as well as global asset management solutions for institutional, retail and private clients. Private Banking is present in Belgium, France, Guernsey, Hong Kong, Italy, Luxembourg, Monaco, Netherlands, Poland, Singapore, Spain, Switzerland, Turkey, China (MeesPierson Horwath Management Consultants Ltd.), Taiwan, United Arab Emirates and the United Kingdom). Asset Management is present in Austria, Belgium, China, France, Germany, Greece, Hong Kong, Indonesia, Italy, Japan, Kazakhstan, Luxembourg, Netherlands, Poland, Russia, Spain, Switzerland, Turkey, United Kingdom and the United States.

**Insurance**, encompassing all the insurance activities of Fortis. It comprises Insurance Belgium, Insurance Netherlands, and Insurance International (UK, Luxembourg, France, Portugal, Germany, Thailand, Malaysia, China / Hong Kong, India, Ukraine, Russia and Turkey).

#### **Recent Developments – ABN AMRO Acquisition**

On July 23, 2007, RFS Holdings, a company formed and jointly owned by Fortis SA/NV and Fortis N.V. (referred to in this subsection as “Fortis”), The Royal Bank of Scotland Group plc (“RBS”) and Banco Santander Central Hispano, SA. (collectively referred to as the “Consortium Banks”) for the purpose of acquiring ABN AMRO commenced an offer for all of the outstanding ordinary shares of ABN AMRO Holding N.V.. The ABN AMRO offer consideration payable by the Consortium Banks in the aggregate amounted to approximately EUR 71.1 billion. For each ABN AMRO ordinary share tendered, RFS Holdings has paid EUR 35.60 in cash plus 0.296 new RBS shares. Under the terms of the Consortium and Shareholders’ Agreement entered into among the Consortium Banks, Fortis has funded EUR 24 billion, 33.8% of the total consideration payable in the ABN AMRO offer.

The ABN AMRO offer commenced on July 23, 2007 and was declared unconditional on October 10, 2007.

As of the expiration of the subsequent offer period, the Consortium Banks had acquired 98.8% of the ABN AMRO share capital.

With the successful completion of the ABN AMRO offer, RFS Holdings has acquired ABN AMRO and the ABN AMRO businesses will be governed and reorganised as contemplated by the Consortium and Shareholders’ Agreement among the Consortium Banks. Fortis now holds shares in RFS Holdings that equal its proportionate funding commitment (33.8%) for the ABN AMRO offer consideration and the capital and income rights of shares issued to each of the Consortium Banks will be linked to the net assets and income of the respective ABN AMRO businesses that they will acquire following the reorganisation of ABN AMRO.

Following the reorganisation, Fortis will acquire the following ABN AMRO businesses:

- Business Unit Netherlands (excluding the former Dutch wholesale clients, Interbank, DMC Consumer Finance as well as certain commercial banking activities to be divested by Fortis after the completion of the ABN AMRO offer as part of the divestment agreed with the European Commission (“EC”);
- Business Unit Private Clients globally;
- Business Unit Asset Management globally (transferred to Fortis on 1 April 2008); and
- the ABN AMRO brand name.

During the reorganization period, the Consortium Banks will retain a shared economic interest in all central functions (including Head Office functions) that provide support to ABN AMRO’s businesses. The Consortium Banks will also retain shared economic interests in certain assets and liabilities of ABN AMRO which the Banks regard as non-strategic. These are expected to be disposed of over a period of time with a view to maximizing value.

Together with ABN AMRO, the Consortium Banks have prepared a base-lined plan for the separation and transfer of, among other things, the ABN AMRO businesses. This plan was submitted to the DNB (the Dutch banking supervisory authority) on December 11, 2007. Separately with representatives of the businesses it is acquiring, Fortis is drawing up plans that will allow it to achieve synergies in the months following the transfer of the ABN AMRO businesses to the Consortium Banks.

On 26 June 2008, Fortis announced its intention to accelerate the implementation of its remaining solvency plan in connection with the acquisition of parts of ABN AMRO through the following additional measures (the "Solvency Plan"):

- an equity raising of EUR 1.5 billion through the issue of 150,000,000 new Fortis shares at EUR 10.00 per share by means of an accelerated bookbuilding offering launched on 26 June 2008 and completed on the same day;
- the decision not to pay an interim 2008 dividend, preserving solvency up to EUR 1.3 billion; and
- a proposal to pay the full-year 2008 dividend in shares.

In addition, the Solvency Plan includes:

- a capital relief program and a sale and lease-back transaction of real estate, for around EUR 1.5 billion;
- the issuance of non-dilutive capital instruments up to EUR 2 billion; and
- additional disposals of mature non-core assets, which are expected to lead to a total solvency uplift of around EUR 2 billion.

The Solvency Plan is expected to result in more than EUR 8 billion of additional solvency in total in the short to medium term. The capital raising of EUR 1.5 billion broadly offsets the impact on solvency of the imposed sale of some of the Dutch commercial banking activities of ABN AMRO under the EC remedies ruling and the planned acquisition of the remaining 51% stake in the Dutch insurance joint venture with Delta Lloyd. These measures will increase the core Tier 1 ratio of Fortis Bank, which at the end of the first quarter of 2008 stood at 8.5%, and will – considering full consolidation of the acquired ABN AMRO assets – enable Fortis to keep the core Tier 1 ratio well above 6% by year-end 2009 (under Basel I).

On 2 July 2008, Fortis, ABN AMRO and Deutsche Bank announced that they signed an agreement by which Deutsche Bank will acquire from ABN AMRO parts of its commercial banking activities in the Netherlands for EUR 709 million in cash. The sale is in line with the commitments that Fortis made to the EC in connection with its acquisition of certain ABN AMRO assets. The sale price represents a discount of approximately EUR 300 million to the businesses' net asset value. Under the terms of the sale, ABN AMRO will provide initial credit risk coverage for around EUR 10 billion of Risk Weighted Assets (RWAs), with the required capital being released over time.

As a result of the significant decrease in market value of the Fortis share on 26 June 2008 triggered by the announcement of the Solvency Plan, a number of groups representing minority shareholders have asked that the Fortis parent companies convene an extraordinary shareholders' meeting to provide the shareholders with additional information and are considering to take legal action against the Fortis parent companies (Fortis SA/NV and Fortis N.V., both listed entities) and/or certain members of their Board of Directors and management in connection with the disclosure made to the markets during the weeks and months preceding the communication of the Solvency Plan. Whether any such legal action might effectively be taken against the Fortis parent companies or any of its directors and managers and what impact such actions, if any, might have on the financial position or prospects of Fortis Bank is unknown on the date hereof.

On July 11, 2008, the Board of Directors of Fortis SA/NV and Fortis N.V. and M. Jean-Paul Votron have decided, by mutual agreement and in the interest of the Fortis group, to terminate the mandate of M. Jean-Paul Votron as Fortis CEO. Herman Verwilt, currently Fortis deputy CEO and executive member of the Board, has agreed to take over the Group CEO function. These decisions are subject to approval by the financial regulators CBFA in Belgium and DNB in the Netherlands.

Fortis is currently considering which other measures to take in order to address the concerns that the communication of the Solvency Plan has raised among its various stakeholders.

## Background information

### Fortis Bank (Nederland) N.V.

Fortis Bank (Nederland) N.V. (**Fortis Bank Nederland**) is a major player in the Dutch mortgage market. Mortgages are sold through its branch offices and through independent (insurance) intermediaries.

Mortgages sold through branch offices are originated by Fortis Bank Nederland (stand-alone), while mortgages sold through independent (insurance) intermediaries are originated by Fortis Bank Nederland's subsidiaries Fortis Hypotheek Bank N.V. (**Fortis Hypotheek Bank**) and Direktbank N.V.

Fortis Bank Nederland is a wholly owned subsidiary of Fortis Bank Nederland (Holding) N.V. (**FBN Holding**). FBN Holding has issued a general guarantee, pursuant to Section 403 of Book 2 of the Netherlands Civil Code, in favour of Fortis Bank Nederland and in favour of Fortis Hypotheek Bank.

Fortis Bank Nederland's residential mortgage portfolio balance sheet amounts up to approximately EUR 14 billion at the end of 2008.

### Funding

Fortis Bank Nederland's main funding sources for financing its mortgage portfolio are:

- Residential Mortgage Backed Securities
- Savings deposits
- FBN Holding's EMTN programme

#### *Residential Mortgage Backed Securities*

Four Residential Mortgage Backed Securities (RMBS) transactions were originated by SR-Hypotheeken N.V. between 1997 and 2001 under the Dutch MBS Programme (total transaction amount: EUR 1.6 billion). SR-Hypotheeken N.V. is a joint venture with NIBC Bank N.V. in which each side has a 50 per cent stake. Transactions under the Dutch MBS Programme are arranged and structured by NIBC Bank N.V.

Fortis Hypotheek Bank originated eleven RMBS transactions (total transaction amount: EUR 18 billion) under the Delphinus Programme. The first Delphinus transaction was effected in June 2000.

Two RMBS transactions were originated by Fortis Hypotheek Bank under the Solid Programme between 2004 and 2005, involving Mortgage Loans which have the benefit of guarantees issued under the National Mortgage Guarantee Scheme (NHG) (total transaction amount: EUR 2.3 billion).

In May 2005 Fortis Hypotheek Bank originated its first RMBS transaction under the Collier Programme, involving Mortgage Loans which are not used as eligible investments in the Delphinus or Solid Programme (transaction amount: EUR 1.7 billion).

In addition to the Programme, similar residential mortgage backed note programmes have been set up: in 2006 Beluga Master Issuer B.V., for mortgage loans originated by Fortis ASR Praktijkvoorziening N.V. which are not used as eligible investments in the other programmes, and in 2007 Goldfish Master Issuer B.V., for NHG guaranteed mortgage loans originated by Fortis Bank Nederland and Fortis Hypotheek Bank.

### Fortis Hypotheek Bank

Fortis Hypotheek Bank was set up in 1992. It provides mainly residential mortgages. Fortis Hypotheek Bank's nominal mortgage portfolio totalled approximately EUR 24 billion at the end of December 2007.

A significant part of Fortis Hypotheek Bank's mortgage portfolio consists of life mortgages. These are sold via a number of insurance entities belonging to Fortis Verzekeringen Nederland N.V. the third-ranking insurer in the Netherlands. Fortis Verzekeringen Nederland N.V. focuses on independent insurance brokers as its distribution channel.



In the course of a restructuring operation aimed at concentrating Fortis's mortgage activities in the Netherlands, Fortis Hypotheek Bank acquired Fortis's existing mortgage companies, Fortis ASR Hypotheekbedrijf N.V. and Fortis ASR Praktijkvoorziening N.V.. Fortis Bank (Nederland) N.V. subsequently acquired the shares of Fortis Hypotheek Bank, including the above subsidiaries, in 2003. In a split-off on 2 January 2006, Fortis ASR Bank N.V. transferred all assets relating to its mortgage lending business to Fortis Hypotheek Bank. Fortis ASR Woning Hypotheken N.V. merged with Fortis Hypotheek Bank on 3 January 2006.

The Articles of Association of Fortis Hypotheek Bank were most recently amended by notarial deed on 4 May 2004. Fortis Hypotheek Bank has its registered office in Rotterdam and is entered in the Rotterdam Trade Register under number 24046654. Fortis Hypotheek Bank is regulated by the Dutch Central Bank (*De Nederlandsche Bank N.V.*).

*Fortis Bank Nederland (Holding) Supervisory Board*

A.M. Kloosterman (Chairman)

J.M.A. Clijsters

K.A.M. De Boeck

P.J. Depovere

F.R.J. Dierckx

H.C.L. Verwilt

*Fortis Bank Nederland (Holding) Executive Board*

J.C.M. Van Rutte (Chairman)

H.P.F.E. Bos

F.J. van Lanschot

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*Fortis Bank (Nederland) Executive Board*

J.C.M. Van Rutte (Chairman)

H.P.F.E. Bos

F.J. van Lanschot

*Fortis Hypotheek Bank Supervisory Board*

G. Mittler (chairman)

J.P.M. Baeten

L. Henrard

F.J. van Lanschot

J.C.M. van Rutte

*Fortis Hypotheek Bank Management Committee*

J.W.M. van der Knaap (executive director)

W.B. van der Wilt (executive director)

W. Groenendijk

S. Seijmonsbergen

D. Brouwer

A.J.J. Zuiderwijk

## DESCRIPTION OF MORTGAGE LOANS

The Mortgage Loans will be selected on the basis of the Eligibility Criteria set out laid down in the relevant Asset Purchaser Mortgage Receivables Purchase Agreement and the representations and warranties given by the relevant Sellers (see *Asset Purchaser Mortgage Receivables Purchase Agreements*).

Mortgage Loans are loans secured by a mortgage right evidenced by notarial mortgage deeds ("*notariële akten van hypotheekstelling*"), that the relevant Seller has entered into with the relevant Borrowers. Part of the mortgage deeds relating to the Mortgage Receivables sold to the Asset Purchasers by the Sellers provide that the mortgage rights created pursuant to such mortgage deed, not only secure the loan granted to the Borrower for the purpose of acquiring the Mortgaged Assets, but also other liabilities and moneys that the Borrower, now or in the future may owe to the Seller. A portion of the Mortgage Receivables sold to the Asset Purchasers by the Sellers will be secured by mortgage rights created under a mortgage deed in which the Borrower has given security over the Mortgaged Assets in excess of the amount of the initial Mortgage Loan. The mortgage deeds relating to such Mortgage Receivables provide that any Further Advances granted by the Sellers to the relevant Borrower are secured by the same mortgage right (see *Bank Mortgages and Credit Mortgages* under the *Risk factors* above).

### Mortgaged Assets

The mortgage rights securing the Mortgage Loans are vested on (i) immovable property ("*onroerende zaak*"), (ii) an apartment right ("*appartementsrecht*") or (iii) ground leases ("*erfpacht*").

For over a century, local authorities and other public bodies in the Netherlands have issued ground leases whereby they retain ownership of the land but grant the right to build and live on it. There are three types of ground lease, i.e. temporary ("*tijdelijk*"), continuous ("*voortdurend*") and perpetual ("*eeuwigdurend*"). A ground lease is a right in rem ("*zakelijk recht*") which entitles the lessee ("*erfpachter*") to hold and use an immovable property ("*onroerende zaak*") on land owned by another party, usually a local authority. The lessee can transfer the ground lease without the need to obtain the permission of the landowner, unless the terms of the lease provide otherwise. Upon the death of the lessee, the lease will pass to his or her heirs. Ground rent ("*canon*") is usually payable under the terms of lease.

### Mortgage Loans originated by Fortis Bank (Nederland) N.V.

#### Mortgage Types

<i>Life Mortgage Loans:</i>	<i>Fortis Bank Hypotheek met ProfijtPlan</i>
	<i>Fortis Bank MeerKeuze hypotheekverzekering</i>
	<i>Fortis Bank Hypotheek met ASR Garantieverzekering</i>
	<i>Fortis Bank Hypotheek met ASR Beleggingsverzekering</i>
	<i>Fortis Bank Levenhypotheek</i>

A life mortgage loan ("*levenhypotheek*", hereinafter '**Life Mortgage Loan**') and each Mortgage Receivable relating to a Life Mortgage Loan, a '**Life Mortgage Receivable**') is connected to a life insurance policy that the Borrower takes out with one of the Insurance Companies. A life Insurance Policy ('**Life Insurance Policy**') combines death cover and capital accumulation. Under this type of Mortgage Loan, the Borrower does not repay any principal, but instead pays life insurance premiums and interest on the Mortgage Loan. The premiums are used to provide death cover and to accumulate capital. There are different types of Life Insurance Policies, depending on (i) the way in which the capital insurance element of the premium is invested by the relevant Insurance Company and (ii) whether the return on the invested capital is guaranteed or not. Endowment policies (including "*Fortis Bank hypotheek met ASR Garantieverzekering*") ('**Traditional Life Insurance Policies**') guarantee a guaranteed yield. Life Insurance Policies that do not guarantee the return on invested capital, invest the capital in certain investment funds ("*Fortis Bank Hypotheek met ProfijtPlan*", "*Fortis Bank hypotheek met ASR Beleggingsverzekering*") ('**Unit-Linked Life Insurance Policies**') and/or invest the premium in a fund, called "*Hypotheekrentefonds*", whereby the return corresponds to the return on a Savings Insurance Policy ("*Fortis Bank MeerKeuze hypotheekverzekering*") ("*Hybrid Insurance Policies*") (the Mortgage Loan to which such *Fortis Bank MeerKeuze hypotheekverzekering* relates, and the Mortgage Loan to which a *Hybride Hypotheekverzekering* or a "*Maximum+ Hybride Hypotheek Plan* relate described hereunder in



repay monies at any time. The client pays interest on the outstanding principal amount at a variable interest rate percentage, which at any requested moment, without earlier notice, can be adjusted.

*Annuity Mortgage Loans: Fortis Bank Annuïteitenhypotheek*

The Borrower pays off the Mortgage Loan in equal monthly instalments, consisting of both interest and principal repayments. Each month the interest component will diminish and the amount of principal repaid will increase.

*Linear Mortgage Loans: Fortis Bank Lineaire Hypotheek*

The Borrower repays the capital in equal monthly principal installments, plus additional interest. The principal repayments will remain the same, while the interest will diminish.

*Interest Only Mortgage Loans: Fortis Bank Aflossingsvrije Hypotheek*

The Mortgage Loan must be repaid upon maturity or upon the death of the Borrower, if this occurs earlier.

### **Interest Rates**

Borrowers are offered the following options for paying interest:

#### *Fixed Interest*

Interest on the Mortgage Loans is fixed for a specified period. The client can choose for an optional extendable specified period.

#### *Floating Interest*

Interest on the Mortgage Loans is variable based on a benchmark. The Interest is fixed at a pre determined interval.

#### *Starter Interest*

The Borrower pays interest at a fixed rate for the first twelve months or twenty four months of the Mortgage Loan. During the chosen period, the Borrower can opt for a fixed interest rate for a specified future period, see *Fixed Interest* above. The 12-month or 24-month period cannot be extended.

#### *Ideaalrente*

*Ideaalrente* is a proceeding average of the interest rate. The applicable interest rate is calculated once a year and is based on the average rate for mortgage loans over the previous 5 years . The interest is set in advance, so it will be applied for 1 year starting from the fixing date.

#### *Rentebedenktijd achteraf*

On the agreed interest review date (respectively after the 5th or 10th year since the starting date of the mortgage loan) the Borrower opts for a 24 month period, during which he can choose the fixing of the interest rate that will be applied to his loan during the next fixed period. The Borrower can choose the length of the next fixed period from the then available offer ( starter Interest is excluded as an option).

### **Mortgage Loans originated by Fortis Hypotheek Bank N.V. and its legal predecessors .**

#### **Mortgage Types**

*Life Mortgage Loans: Hypotheek met Garantieverzekering  
Levenhypotheek  
Hypotheek met Beleggingsverzekering  
Hypotheek met ABC Spaarplan  
Hypotheek met VIP*

*Hybride Hypotheek*  
*Maximum+ Hypotheek Plan*  
*Maximum+ Hybride Hypotheek Plan*  
*Waerdije Hypotheekplan*  
*Stad Rotterdam Plan*

As set out above, a Life Mortgage Loan is connected to a life insurance policy that the Borrower takes out with one of the relevant Insurance Companies. A Life Insurance Policy combines death cover and capital accumulation. Under this type of Mortgage Loan, the Borrower does not repay any principal, but instead pays life insurance premiums and interest on the Mortgage Loan. The premiums are used to provide death cover and to accumulate capital. There are different types of Life Insurance Policies, depending on (i) the way in which the capital insurance element of the premium is invested by the relevant Fortis Insurance Company, (ii) whether the return on the invested capital is guaranteed or not. Endowment policies (*Garantieverzekering*) guarantee the return on invested capital. Life Insurance Policies that do not guarantee the return on invested capital, invest the capital in certain investment funds (*Beleggingsverzekering*, *ABC Spaarplan*, *VIP*, *Waerdije Hypotheekplan* and *Maximum+ Hypotheek Plan*) and/or invest the premia in a fund (called *Hypotheekrenterekening*) whereby the return corresponds to the return on a Savings Insurance Policy (*Hybride Hypotheekverzekering* and *Maximum+ Hybride Hypotheek Plan*) or in fixed income products (*Stad Rotterdam Plan*).

The *Garantieverzekering* and the *Beleggingsverzekering* give the right to profit sharing. The Borrower decides whether any return above the guaranteed interest is added to the guaranteed payout or is invested in certain investment funds.

The life insurance benefits are generally used to repay the Mortgage Loan (whether in full or in part) upon maturity. These benefits are paid out either upon the maturity of the Life Insurance Policy (generally after 30 years) or upon the death of the Borrower, if this occurs earlier.

*Savings Mortgage Loans:*

- Spaarhypotheek*
- Flexibele Spaarhypotheek*
- Zorgen Vrij Hypotheek*
- Succeshypotheek*

As described above a Savings Mortgage Loan consists of a Savings Insurance Policy that the Borrower in case of Fortis Hypotheek Bank N.V. takes out with one of the relevant Savings Participants. Under this type of Mortgage Loan, the Borrower does not repay any principal, but instead pays a premium, which consists of a risk element and a savings element and interest on the Mortgage Loan. The premiums are used to provide death cover and accumulate savings. The savings are calculated so that the benefits of the Savings Insurance Policy paid out by the relevant Savings Participant to the pertinent Borrower are equal to the amount that the Borrower owes the Sellers upon the maturity of the Mortgage Loan. These benefits will be used to repay the Mortgage Loan (whether in full or in part). They are paid out either upon the maturity of the Savings Insurance Policy (which will correspond with the term of the Mortgage Loan and will usually be after 30 years) or upon the death of the Borrower if this occurs earlier.

*Investment Mortgage Loans:*

- Effecthypotheek*
- Beleggingshypotheek*

As set out above an Investment Mortgage Loan is a loan covered by an investment plan, which also includes a Life Insurance Policy (with death cover only), which the Borrower takes out with one of the relevant Fortis Insurance Companies. Under this type of Mortgage Loan, the Borrower does not repay any principal. Instead he or she pays interest on the Mortgage Loan and monthly installments that are used (1) to purchase units in certain investment funds or, in the case of the *Beleggingshypotheek*, at the option of the Borrower (i) to pay the premiums on a Savings Insurance Policy with any of the relevant Savings Participants (*ASR Spaarhypotheek Garantie*) (each an **Investment Savings Mortgage Loan**) or (ii) to make deposits in a savings account with the Fortis ASR Bank (*ASR Liquide Middelen*) or (iv) for a combination of the above and (2) to pay insurance premiums.

The units in the investment funds are held in an investment account at Stichting Fortis ASR Beleggersgiro. The investment funds are all managed by Fortis Investment Management Netherlands N.V.. Borrowers can switch investments or decide to apply future installments differently.

Upon maturity (which is generally after 30 years), the investments will be sold and the proceeds used to repay the Mortgage Loan (whether in full or in part). Should the Borrower die, the payout from the Life Insurance Policy will go towards repaying the Mortgage Loan.

*Annuity Mortgage Loans: Annuïteitenhypotheek*

The Borrower pays off the Mortgage Loan in equal monthly installments, consisting of both interest and capital repayments. Each month the interest component will diminish and the amount of capital repaid will increase.

*Linear Mortgage Loans: Lineaire Hypotheek*

The Borrower repays the capital in equal monthly installments, plus additional interest. The capital repayments will remain the same, while the interest will diminish.

*Interest Only Mortgage Loans: Aflossingsvrije Hypotheek*

The Mortgage Loan is repaid upon maturity or upon the death of the Borrower, if this occurs earlier.

### **Interest Rates**

Borrowers are offered the following options for paying interest:

*Fixed Interest*

Interest on the Mortgage Loans is fixed for a specified period. (6 month to 20 years)

*Starter Interest*

The Borrower pays interest at a fixed rate for the first twelve months of the Mortgage Loan. During this period, the Borrower can opt for a fixed interest rate for a specified future period, see *Fixed Interest* above. The 12-month option period cannot be extended.

*Rentebedenktijd achteraf*

On the agreed interest review date (respectively after the 5th or 10th year since the starting date of the mortgage loan) the Borrower opts for a 24 month period, during which he can choose the fixing of the interest rate that will be applied to his loan during the next fixed period. The Borrower can choose the length of the next fixed period from the then available offer ( starter Interest is excluded as an option).

*Margin Interest*

The rate of interest payable on the Mortgage Loan is reset annually, subject to caps and floors (relative to a base rate), which provides the Borrower with some protection against interest rate changes. The base rate itself may be reset from time to time.

### **Details of Mortgage Receivables**

In the Final Terms relating to each issue of Notes, certain numerical information will be provided regarding the Mortgage Receivables held by each Asset Purchaser on the relevant Issue Date (the '**Current Pool**'). The numerical information in respect of the Current Pool will relate to the Current Pool which will be determined prior to the relevant Issue Date. Therefore, the information in respect of the Current Pool may not entirely reflect the Current Pool as it is at the relevant Issue Date.

If on the relevant Issue Date New Mortgage Receivables will be sold and assigned to the relevant Asset Purchaser or Asset Purchasers and no Consolidated Pool is provided (see below), apart from the Current Pool a provisional pool of Mortgage Loans to be sold and assigned on the relevant Issue Date will be provided (the '**Provisional Pool**'). A final portfolio will be selected on or before the Issue date and may include mortgage loans which were not included in the Provisional Pool. The information on the Provisional Pool in the Final Terms may therefore not necessarily correspond

with the Mortgage Receivables actually sold by the relevant Seller or Sellers to the relevant Asset Purchaser or Asset Purchasers on the Issue Date.

The numerical information in respect of the Current Pool and the Provisional Pool can also be combined in a consolidated pool of mortgage loans (the '**Consolidated Pool**') in the Final Terms.

## MORTGAGE LOAN UNDERWRITING AND SERVICING

### Introduction

Applications for new mortgage loans are accepted on the basis of an established underwriting protocol. The principal features of this underwriting protocol are borrower as well as property related.

### Borrower

#### *Income*

By far the majority of Fortis Bank's mortgage loan borrowers are salaried employees or wage earners. The remainder are self-employed. The protocol stipulates the income components. Mortgage Loan applicants are asked to provide an original, recently issued, employers' declaration and recent pay-slip to prove their income, or, if self-employed, to submit full annual accounts (including an auditor's report or stamp) of their business and income tax returns for the previous three years. A director/majority shareholder is regarded as self-employed.

#### *Housing ratio*

The housing ratio, i.e. the ratio of the mortgage loan payment to gross income, is a major determinant of the maximum mortgage loan, as it reflects the maximum percentage of income that can be committed to making mortgage loan payments. The mortgage loan payment is estimated on an annuity basis, taking into account both interest and principal repayment.

A distinction is made between single and dual income households. In case of a dual income household, the housing ratio associated with the highest income of the two, is applied on the total income of the household. The housing ratios are based on the tariffs used by the NIBUD (National Institute for Budget Information). From 1st of January 2007, the housing ratios given by the CHF ('Contact Organ Mortgage Financers') will be required.

#### *National Credit Register*

A check on every mortgage loan borrower is carried out with the National Credit Register ("*Bureau Krediet Registratie*" or "*BKR*") in Tiel. The register contains all active records and all (positive and negative) commitments redeemed into with financial institutions over the previous five years.

#### *Property*

All collateral offered in the form of existing buildings is valued by an independent appraiser not involved in the transaction, or under the WOZ-calculation ("*Wet Onroerende Zaak Belasting*"). Any appraiser used for this purpose must be a member of one of the following organisations:

- Dutch Association of Real Estate Brokers ("*Nederlandse Vereniging van makelaars*" or "*NVM*")
- National Real Estate Broker's Association ("*Landelijke Makelaars Vereniging*" or "*LVM*")
- Society of Chartered Surveyors ("*Vereniging van Registrerend Taxateurs*" or "*RVT*")
- Estate Agents Association ("*Vereniging Bemiddeling Onroerend Goed*" or "*VBO*")
- Dutch Association of Estate Managers ("*Nederlandse Vereniging van Rentmeesters*" or "*NVR*")

These are the same appraisers that are accepted for mortgages covered by the National Mortgage Guarantee Scheme (NHG).

### Other underwriting conditions

In addition to the above underwriting conditions, the following rules apply for mortgages under the NHG-guarantee:

- mortgage loans are granted only to individuals;
- joint and several liability for mortgage commitments (all owners are jointly and severally liable);
- the property to be mortgaged must be located in the Netherlands; and
- the property to be mortgaged must be for owner occupation only (not for rental).

### Software tool

The underwriters are supported by a customized software tool, which encompasses the entire acceptance protocol. This tool checks NHG Guarantee status and calculates the maximum loan that can be advanced. It also forecasts the



future value of any life insurance policy or investment account that forms part of the collateral. Furthermore, the tool produces the proposals.

In the case of Fortis Hypotheek Bank, that sells its mortgage loans via independent brokers, the mortgage applications reach the acceptance departments via mail, e-mail, fax or an electronic data network.

Regular internal audits check whether the mortgage loans granted conform to the underwriting protocol.

## **Servicing**

### **Introduction**

In addition to its corporate support departments, the servicer has three major units, i.e. the middle office, the notary department and the back office. The middle office deals with all activities that lead to the granting of mortgages, the notary department handles documentation and money transfer via the notary, while the back office is responsible for the technical management of the portfolio, collection of interest payments, standard accounting routines and initiating of any procedures for arrears management.

Fortis Bank Nederland uses the generic backup server TSM (Tivoli Storage Manager) for the mainframe. The back-up is incremental (new and/or changed files). Three data file versions are saved (one active, two earlier date versions). The active version will be saved indefinitely, the others for a maximum of 30 days. A back-up of the mortgage administration system 'NINJA' is made every last workday of the month and at the end of the year a year back-up is made. All data is back-upped in Woerden and mirrored in Utrecht, the housekeeping of TSM tapes the most recent data. These tapes are stored in the tape library in Woerden. Networks and personal computers are provided with back-up in the same way. In case of calamity the complete generic server can be moved to the fallback environment in Utrecht, in accordance with the service level agreement.

Fortis Hypotheek Bank makes a back-up of the information in the mainframe systems on a daily basis. Back-ups are also made of information stored on networks and personal computers. The back-ups are stored in a fireproof and burglar-proof safe in a separate building. Agreements on disaster recovery have been entered into with Getronics System Integration B.V. and the Computer Back-up centre ("*Computer Uitwijk Centrum*") in Lelystad. The recovery procedure will be tested each year. Sources of externally developed software are available and stored. A Service Level Agreement has been approved by the Dutch Central Bank ("*De Nederlandsche Bank N.V.*").

### **Collection**

Mortgage Loan interest is generally collected by direct debit. Each month, the mainframe automatically calculates the interest due. This is then debited from the Borrower's account. If there is not enough money in the account, the direct debit procedure will be repeated. Should the direct debit fail again, an automatic reminder will be sent (after 21 days) to the Borrower. If the Borrower still fails to make payment, another letter will be sent (14 days after the first reminder). If the Borrower fails to make the payment, the file will be passed on to the arrears management department.

### **Arrears management**

If Borrowers fail to make payment within a certain period of the due date, the arrears management procedure will apply, as follows;

#### *Fortis Bank Nederland*

- if payment has not been received within 6 weeks after the due date, and if clearance with other accounts of Borrower is not possible, a manually written letter will be sent to the client
- the Account manager first tries to contact the Borrower by phone. If not possible, a letter of demand will be sent
- if payment has not been received 4 months after the due date, any guarantors will be notified accordingly
- if payment has still not been received 7 months after the due date (see explanatory notes below) and no suitable solution has been found, the loan will finally be called in

*Fortis Hypotheek Bank*

- if payment has not been received within 54 days of the due date, a first reminder will be sent by the Arrears Management
- if payment has not been received after 84 days after the due date, a second reminder will be sent
- if payment has not been received 4 months after the due date, any guarantors ( among others: NHG) will be notified accordingly
- if payment has still not been received seven months( for NHG)/ 114 days( for non-NHG) after the due date, and no suitable solution has been found, the loan will be called in.

During the period in which arrears build up, efforts ( including personal visits to the Borrower) are always made to find a solution acceptable to both the Borrower and the Lender.

**Auctions**

Sale at public auction is arranged only as a last resort. In principle, bids may be made up to a certain percentage of the value at execution (real estate brokers' valuation price).

## PORTFOLIO REVIEW

If a Portfolio Review Event occurs, the Rating Agencies may at their discretion review the then current pool of Mortgage Receivables sold to all Asset Purchasers by means of a regular review of the portfolio on a loan-by-loan basis. The Issuer and the Asset Purchasers are obliged to cooperate with this review and undertake to use reasonable efforts to provide the Rating Agencies with the requested information.

A Portfolio Review Event means any of the following events:

- (a) a half calendar year has passed since (i) the previous Portfolio Review Event occurred, or (ii) if no Portfolio Review Event has occurred, the Programme Closing Date; or
- (b) the Outstanding Principal Amount of all Mortgage Loans on any date has increased by 10 per cent. or more since the date of the last Portfolio Review Event; or
- (c) any date on which more than 4 per cent. of the aggregate Outstanding Principal Amount of the Mortgage Loans is in arrear for more than 90 days; or
- (d) any Asset Purchaser Accession Date; or
- (e) if a new Series of Notes is issued; or
- (f) if new types of mortgage products are included in the pool, which have not been described herein or in any supplemental prospectus hereto or if a new Savings Participant accedes to the Programme; or
- (g) if a Seller materially changes its underwriting/lending criteria; or
- (h) any time a Rating Agency requests to review the pool of Mortgage Loans.

## **ASSET PURCHASER MORTGAGE RECEIVABLES PURCHASE AGREEMENTS**

On the Programme Closing Date each Seller and the relevant Asset Purchaser will enter into an Asset Purchaser Mortgage Receivables Purchase Agreement. Furthermore, on each Asset Purchaser Accession Date, a new Asset Purchaser will enter into an Asset Purchaser Mortgage Receivables Purchase Agreement with the relevant Seller. Under the relevant Asset Purchaser Mortgage Receivables Purchase Agreement on each Mortgage Purchase Date the relevant Seller (i) may sell New Mortgage Receivables and the Beneficiary Rights relating thereto, to the relevant Asset Purchaser and (ii) will sell all Further Advance Receivables relating to Further Advances granted by this Seller in the preceding Mortgage Collection Period and the Beneficiary Rights relating thereto to such Asset Purchaser, subject to certain conditions. The sale and assignment of the Mortgage Receivables will be effectuated by the relevant Seller and the relevant Asset Purchaser signing a deed (a '**Deed of Sale, Assignment and Pledge**') and by registering such deed. In addition, pursuant to the relevant Asset Purchaser Mortgage Receivables Purchase Agreement, Fortis Bank (Nederland) N.V. will be obliged to assign on each Monthly Payment Date any and all claims of the relevant Seller under Revolving Credit Mortgage Loans to the extent not previously assigned. This monthly (sale and) assignment of the Revolving Credit Mortgage Receivables will be effectuated by the relevant Seller and the relevant Asset Purchaser signing a Deed of Sale, Assignment and Pledge with a list of all Revolving Credit Mortgage Loan attached to it and by registering such deed. The assignment of the Mortgage Receivables from the relevant Seller to the relevant Asset Purchaser will not be notified to the Borrowers, except in case of the occurrence of Asset Purchaser Assignment Notification Events. Until such notification the Borrowers will only be entitled to validly pay ("*bevrijdend betalen*") to the relevant Seller. The Asset Purchasers will be entitled to all proceeds in respect of the Mortgage Receivables as of the relevant Mortgage Purchase Date.

### **Purchase Price**

The purchase price for the New Mortgage Receivables shall consist of an initial purchase price (the '**Initial Purchase Price**'), which shall be payable on the relevant Mortgage Purchase Date and the sum of all relevant deferred purchase price instalments (each a '**Deferred Purchase Price Instalment**'). The Initial Purchase Price is equal to the aggregate Outstanding Principal Amount in respect of the New Mortgage Receivables and/or Further Advance Receivables on the last day of the relevant Mortgage Collection Period. A part of the relevant Initial Purchase Price equal to the aggregate Construction Amounts as indicated in the applicable Final Terms will be withheld by the relevant Asset Purchaser and will be credited to the Asset Purchaser Construction Account. The relevant Deferred Purchase Price shall be equal to the sum of all relevant Deferred Purchase Price Instalments and each relevant Deferred Purchase Price Instalment on any relevant Note Payment Date will be equal to (A) prior to delivery of an Enforcement Notice and/or Asset Purchaser Enforcement Notice in respect of the relevant Asset Purchaser, the positive difference, if any, between the relevant Asset Purchaser Interest Available Amount as calculated on each Note Calculation Date and the sum of all amounts payable by the relevant Asset Purchaser as set forth in the relevant Asset Purchaser Interest Priority of Payments under all items ranking above a Deferred Purchase Price Instalment or, as the case may be, (B) following delivery of an Asset Purchaser Enforcement Notice relating to the relevant Asset Purchaser, but prior to delivery of an Enforcement Notice, the amount remaining after all the payments set forth in the relevant Priority of Payments upon Enforcement of an Asset Purchaser prior to an Enforcement Notice ranking above a Deferred Purchase Price Instalment on such date, have been made, or, as the case may be, (C) following delivery of an Enforcement Notice, the amount remaining after all the payments as set forth in the Priority of Payments upon Enforcement ranking above a Deferred Purchase Price Instalment on such date, have been made.

### **Representations and warranties**

Each Seller will represent and warrant on the relevant Mortgage Purchase Date with respect to the New Mortgage Receivables and/or Further Advance Receivables that it will sell and assign to the relevant Asset Purchaser on such date (the '**Relevant Mortgage Receivables**') and the Beneficiary Rights relating thereto and the New Mortgage Loans and/or Further Advances from which such New Mortgage Receivables and/or Further Advance Receivables result (the '**Relevant Mortgage Loans**'), *inter alia*, that:

- (a) each of the Relevant Mortgage Receivables and the Beneficiary Rights relating thereto is duly and validly existing and is not subject to annulment or dissolution as a result of circumstances which have occurred prior to or on the relevant Mortgage Purchase Date;
- (b) it has full right and title ("*tite*") to the Relevant Mortgage Receivables and the Beneficiary Rights relating thereto and no restrictions on the sale and transfer of the Relevant Mortgage Receivables and the Beneficiary Rights relating thereto are in effect and the Relevant Mortgage Receivables and the Beneficiary Rights relating thereto are capable of being assigned;
- (c) it has power ("*is beschikkingsbevoegd*") to sell and assign the Relevant Mortgage Receivables and the Beneficiary Rights relating thereto;
- (d) the Relevant Mortgage Receivables and the Beneficiary Rights relating thereto are free and clear of any encumbrances and attachments ("*beslagen*") and no option to acquire the Relevant Mortgage Receivables and the Beneficiary Rights relating thereto has been granted in favour of any third party with regard to the Relevant Mortgage Receivables and the Beneficiary Rights relating thereto;
- (e) each Mortgaged Asset concerned was valued when application for the relevant Mortgage Loan was made by an independent qualified valuer or surveyor, except in the cases described in the acceptance conditions of the relevant Seller or, if the Relevant Mortgage Loan was originated by a third party, the relevant originator (the '**Originator**') and no revaluation of the Mortgaged Assets has been made for the purpose of this transaction;
- (f) each Relevant Mortgage Receivable and the Mortgage and the Borrower Pledge, if any, securing such receivable constitutes legal, valid, binding and enforceable obligations of the relevant Borrower;
- (g) all Mortgages and Borrower Pledges (i) constitute valid mortgage rights ("*hypotheekrechten*") and rights of pledge ("*pandrechten*") respectively on the Mortgaged Assets and the assets which are the subject of the Borrower Pledges and, to the extent relating to the Mortgages, have been entered in the relevant public register ("*Dienst van het Kadaster en de Openbare Registers*"), and (ii) were vested for a principal sum which is at least equal to the Outstanding Principal Amount of the Relevant Mortgage Loan when originated increased with interest, penalties, costs and any insurance premium paid by the relevant Seller on behalf of the Borrower;
- (h) each of the Relevant Mortgage Loans has been granted, and each of the Mortgages and Borrower Pledges has been vested, subject to the general terms and conditions and in the forms of mortgage deeds, loan agreements and deeds of pledge attached to the relevant Asset Purchaser Mortgage Receivables Purchase Agreement, as these forms may be amended in accordance with the relevant Asset Purchaser Mortgage Receivables Purchase Agreement by the Seller;
- (i) the particulars of each Relevant Mortgage Loan, as set forth in the list of Relevant Mortgage Loans attached to each Deed of Sale, Assignment and Pledge to be signed at the relevant Mortgage Purchase Date are correct and complete in all material respects;
- (j) each of the Relevant Mortgage Loans meets the Eligibility Criteria as set forth below;
- (k) each of the Relevant Mortgage Loans and, if offered by the relevant Seller, the Insurance Policy connected thereto, has been granted in accordance with all applicable legal requirements and the Code of Conduct on Mortgage Loans ("*Gedragscode Hypothecaire Financieringen*") and has met in all material respects the relevant Originator's standard acceptance conditions prevailing at that time and such acceptance conditions are in a form as may be expected from a reasonably prudent lender of residential mortgage loans in the Netherlands;
- (l) other than the aggregate Construction Amounts and any Available Credit Facility under Revolving Credit Mortgage Loans, the principal sum was in case of each of the Relevant Mortgage Loans fully disbursed to the relevant Borrower, whether or not through the relevant civil law notary, upon origination;
- (m) in respect of each of the relevant Savings Mortgage Receivables the relevant Seller has the benefit of a valid right of pledge on the rights under the Savings Insurance Policies and either (i) the relevant Seller has the benefit of the appointment as beneficiary ("*begunstigde*") under such Savings Insurance Policies, upon the terms of the Relevant Mortgage Loans and the relevant Savings Insurance Policies, which appointment has been notified to the relevant Insurance Companies, or (ii) the relevant Insurance Company is irrevocably authorised to apply the insurance proceeds in satisfaction of the relevant Mortgage Receivable;
- (n) in respect of each of the relevant Life Mortgage Receivables the relevant Seller has the benefit of a valid right of pledge on the rights under the Life Insurance Policy and either (i) the relevant Seller has the benefit of the appointment as beneficiary ("*begunstigde*") under such Life Insurance Policies upon the terms of the Relevant Mortgage Loans and the relevant Life Insurance Policies, which appointment has been notified to the relevant

- Insurance Company, or (ii) the relevant Insurance Company is irrevocably authorised to apply the insurance proceeds in satisfaction of the relevant Mortgage Receivable;
- (o) in respect of each of the relevant Investment Mortgage Receivables the relevant Seller has the benefit of a valid right of pledge on the rights under the Risk Insurance Policy and on the relevant investment accounts and either (i) the relevant Seller has the benefit of the appointment as beneficiary ("*begunstigde*") under such Risk Insurance Policy upon the terms of the Relevant Mortgage Loans and the relevant Risk Insurance Policies, which appointment has been notified to the relevant Insurance Company, or (ii) the relevant Insurance Company is irrevocably authorised to apply the insurance proceeds in satisfaction of the Relevant Mortgage Receivable;
  - (p) it has not been notified and is not aware of anything affecting the relevant Seller's title to the Relevant Mortgage Receivables;
  - (q) the notarial mortgage deeds ("*minuut*") relating to the Mortgages are kept by a civil law notary in the Netherlands, while the loan files, which include authentic copies of the notarial mortgage deeds, are kept by the relevant Seller;
  - (r) to the best knowledge of the relevant Seller, the Borrowers are not in any material breach of any provision of their Relevant Mortgage Loans other than their payment obligations;
  - (s) each of the Mortgaged Assets on which a Mortgage has been vested to secure the Relevant Mortgage Receivable had, at the time the Relevant Mortgage Loan was advanced the benefit of buildings insurance ("*opstalverzekering*") for the full reinstatement value ("*herbouwwaarde*");
  - (t) the mortgage conditions, other than the mortgage conditions used by Nutsspaarbank te 's-Gravenhage N.V. and Generale Bank Nederland N.V. (which ceased to exist following a merger with Fortis Bank (Nederland) N.V.), provide that all payments by the Borrower should be made without any deduction or set-off;
  - (u) no Mortgaged Asset was subject to residential letting at the time of origination of the Mortgage Loan;
  - (v) where compulsory under the acceptance conditions used by the relevant Originator, each Relevant Mortgage Loan has a compulsory Life Insurance Policy or Risk Insurance Policy attached to it;
  - (w) this representation and warranty is given by Fortis Bank (Nederland) N.V. only; in respect of Life Mortgage Loans to which a Life Insurance Policy is connected with an Insurance Company which is not a group company of Fortis Bank (Nederland) N.V., the Life Mortgage Loan and the Life Insurance Policy are in its or the Insurance Company's promotional materials not offered as one product under one name and (ii) the Borrowers are not obliged to enter into a Life Insurance Policy with an Insurance Company which is a group company of Fortis Bank (Nederland) N.V.;
  - (x) in respect of Investment Mortgage Loans, the investments are effected by the Borrowers through a bankruptcy remote securities giro and these securities are administered by Fortis Bank (Nederland) N.V. or Fortis ASR Bank N.V., as the case may be, (i) through a separate bankruptcy remote depository vehicle or (ii) these securities qualify as securities regulated under the Dutch Securities Giro Transfer Act ("*Wet giraal effectenverkeer*").

#### Eligibility Criteria

Each of the Mortgage Loans and Mortgage Receivables will, *inter alia*, meet the following criteria on the relevant Mortgage Purchase Date:

- (a) the Mortgaged Asset is situated in the Netherlands;
- (b) the Borrower is a private individual ("*natuurlijk persoon*");
- (c) none of the Mortgage Loans has the benefit of a NHG guarantee or, as the case may be, a Municipality guarantee;
- (d) the Borrower is not an employee of the relevant Seller or any of its group companies;
- (e) each Mortgage Loan has been originated after 1 January 1992;
- (f) each Mortgage Receivable is secured by a mortgage right ("*hypotheekrecht*") ("**Mortgage**") on a Mortgaged Asset used for residential purposes and is governed by Netherlands law;
- (g) the Mortgage Loans are either:
  - (i) Annuity Mortgage Loans ("*annuïteitenhypotheken*"); or
  - (ii) Linear Mortgage Loans ("*lineaire hypotheken*"); or
  - (iii) Interest-Only Mortgage Loans ("*aflossingsvrije hypotheken*"); or
  - (iv) Investment Mortgage Loans ("*beleggingshypotheken*");

- (v) Revolving Credit Mortgage Loans ("*krediet in rekening-courant*"); or
- (vi) Savings Mortgage Loans ("*spaarhypotheken*"); or
- (vii) Life Mortgage Loans ("*levenhypotheken*"), with either a Unit-Linked Life Insurance Policy or a Traditional Life Insurance Policy connected to it or in the form of a Hybrid Mortgage Loan;
- (viii) combinations of the above mentioned types of Mortgage Loans;
- (h) payments on each Mortgage Receivable are made either by a direct debit or by a wire transfer;
- (i) each interest payment on each Mortgage Receivable is made either monthly in arrears, or monthly, quarterly, semi-annually or annually in advance;
- (j) on the last day of the Mortgage Collection Period immediately preceding the relevant Mortgage Purchase Date no amounts due for more than 60 days under any of the Mortgage Receivables were or, as the case may be, will be overdue and unpaid;
- (k) each Mortgage Loan constitutes the entire loan granted to the relevant Borrower and not merely one or more loan parts ("*leningdelen*");
- (l) the Outstanding Principal Amount of each Mortgage Loan or of all Mortgage Loans granted to a Borrower, less the relevant Participation, if any, did not exceed 130 per cent. of (i) the most recent foreclosure value of the relevant Mortgaged Asset plus (ii) the amount of additional collateral such as "*Spaarwaarde*" held with the relevant Insurance Company (other than the Savings Participants) and/or the value of the Investments for Investment Mortgage Loans or Life Mortgage Loans;
- (m) the Outstanding Principal Amount of each Mortgage Loan or of all Mortgage Loans granted to a Borrower, less the relevant Participation, if any, did not exceed euro 1,000,000; and
- (n) all Mortgages and Borrower Pledges have first priority ("*eerste in rang*") or have first and sequentially lower ranking priority.

#### **Purchase of New Mortgage Receivables and Further Advance Receivables**

Under the relevant Asset Purchaser Mortgage Receivables Purchase Agreement the relevant Seller will be entitled to sell and assign and the relevant Asset Purchaser will purchase and accept assignment of New Mortgage Receivables and the Beneficiary Rights relating hereto on each Mortgage Purchase Date up to the Asset Purchaser Purchase Available Amount.

The '**Asset Purchaser Purchase Available Amount**' shall (i) on any Mortgage Payment Date be equal to the Asset Purchaser Purchase Netting Available Amount and (ii) on any Monthly Payment Date an amount equal to the Asset Purchaser Principal Available Amount less the Asset Purchaser Pass-through Payable Amount on such Monthly Payment Date.

The relevant Asset Purchaser Mortgage Receivables Purchase Agreement will provide that on each Mortgage Purchase Date, the relevant Seller will sell and assign, and the relevant Asset Purchaser will purchase and accept assignment of all Further Advance Receivables relating to Further Advances granted by such Seller in the preceding Mortgage Collection Period up to the Asset Purchaser Purchase Available Amount.

The purchase by the relevant Asset Purchaser of New Mortgage Receivables and Further Advance Receivables and the Beneficiary Rights relating thereto will be subject to a number of conditions, which include, *inter alia*, the conditions that on the relevant Mortgage Purchase Date:

- (a) the relevant Seller will represent and warrant to the relevant Asset Purchaser and the Security Trustee (i) the matters set out in the clauses providing for the representations and warranties relating to the Relevant Mortgage Loans and the Relevant Mortgage Receivables with respect to the New Mortgage Receivables and Further Advance Receivables and the Beneficiary Rights relating thereto sold by it on such date and (ii) those relating to the relevant Seller;
- (b) no Asset Purchaser Assignment Notification Event relating to this Asset Purchaser has occurred and is continuing;
- (c) there has been no failure by the relevant Seller to repurchase any Mortgage Receivable which it is required to repurchase pursuant to the relevant Asset Purchaser Mortgage Receivables Purchase Agreement;
- (d) the Asset Purchaser Purchase Available Amount is sufficient to pay (the relevant part of) the Initial Purchase Price for the New Mortgage Receivables and Further Advance Receivables;

- (e) no downgrading of the Notes by S&P or Fitch below the Minimum Ratings of the Notes or, if the then current ratings of the Notes are below the Minimum Ratings, no downgrading of the Notes by S&P or Fitch will occur as a result of such purchase;
- (f) the weighted average of the aggregate proportions of the Outstanding Principal Amount of each Relevant Mortgage Loan less the Participation, if any, to the Foreclosure Value of the Mortgaged Assets (the '**LTFV-ratio**') does not exceed 95 per cent.;
- (g) no amount is standing to the credit of the relevant IC Loan Principal Deficiency Ledger after application of the Asset Purchaser Interest Available Amount on such date, or, if such date is not a Note Payment Date, no amount is standing to the credit of the relevant IC Loan Principal Deficiency Ledger on the immediately preceding Note Payment Date;
- (h) the balance on the Unreserved Ledger was at least equal to the Class D Required Subordinated Amount;
- (i) except in the case of any purchase of New Mortgage Receivables by the relevant Asset Purchaser either (x) in relation to a new issue of Notes (other than an issue of Series 0 Notes) to the extent that the aggregate Outstanding Principal Amount of the New Mortgage Receivables and Further Advance Receivables to be purchased on the relevant Mortgage Purchase Date by all Asset Purchasers does not exceed the issue proceeds of such Notes (other than the Class E Notes) or (y) where S&P and Fitch have confirmed that such purchase will not result in a change to the rating of the Notes below the Minimum Ratings of the Notes, or, if the then current ratings assigned to the Notes are below the Minimum Ratings, will not adversely affect the then current rating assigned to the Notes, (i) the aggregate Outstanding Principal Amount of the New Mortgage Receivables and Further Advance Receivables to be purchased on the relevant Mortgage Purchase Date or any earlier Mortgage Purchase Date falling after the immediately preceding Note Payment Date does not exceed 20 per cent. of the aggregate Outstanding Principal Amount of all Mortgage Loans held by all Asset Purchasers on such Mortgage Purchase Date and (ii) the aggregate Outstanding Principal Amount of the New Mortgage Receivables and Further Advance Receivables to be purchased on the relevant Mortgage Purchase Date or any earlier Mortgage Purchase Date falling after the Note Payment Date falling one year before the relevant Mortgage Purchase Date does not exceed 50 per cent. of the aggregate Outstanding Principal Amount of all Mortgage Loans held by all Asset Purchasers on such Note Payment Date;
- (j) if, in respect of a Series and Class or, if applicable, Sub-class of Notes, other than the Class E Notes, a Step-up Date has occurred, all Notes to which such Step-up Date relates are redeemed in full subject to Condition 9(b) prior to or on the Note Payment Date falling one (1) year after such Step-up Date;
- (k) the aggregate Outstanding Principal Amount of Savings Mortgage Loans held by all Asset Purchasers together to which a Savings Insurance Company with an Insurance Company not being a (direct or indirect) subsidiary of Fortis N.V./S.A. and/or Fortis N.V. for which no sub-participation agreement is entered into, is less than 0.2% of the aggregate Outstanding Principal Amount of all Mortgage Receivables held by all Assets Purchasers together; and
- (l) S&P has not informed the Issuer and Asset Purchasers that the weighted average frequency of foreclosure and the weighted average loss severity of the Mortgage Receivables of all Asset Purchasers are not above the required levels to support the Minimum Ratings.

### **Repurchase**

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

- (a) if any of the representations and warranties given by the relevant Seller in respect of such Relevant Mortgage Receivables or the relevant Mortgage Loan is untrue or incorrect, and the relevant Seller has not within fourteen (14) days of receipt of written notice thereof from the relevant Asset Purchaser or the Security Trustee remedied the matter, on the Mortgage Payment Date on or immediately following the day on which the remedy period ends, or on the Monthly Payment Date following such Mortgage Payment Date;
- (b) if the relevant Seller agrees with a Borrower to amend the terms of the Relevant Mortgage Loan as a result of which the Mortgage Loan no longer meets the Eligibility Criteria and the representations and warranties given in the relevant Asset Purchaser Mortgage Receivables Purchase Agreement (the '**Mortgage Loan Amendment**'), on the Mortgage Payment Date on or immediately following the day on which such agreement is made, or on the Monthly Payment Date following such Mortgage Payment Date;



- (c) if the relevant Seller agrees with a Borrower to grant a Further Advance and the relevant Further Advance Receivable is not purchased by the relevant Asset Purchaser on or before the Monthly Payment Date immediately succeeding such Mortgage Collection Period, on such Monthly Payment Date; and
- (d) if, in the case of an Investment Mortgage Loan sold by Fortis Hypotheek Bank N.V. and/or a Hybrid Savings Mortgage Loan, the relevant Seller agrees to a Policy Switch and the Participation by the relevant Savings Participant in the Mortgage Loan has not terminated on the Mortgage Payment Date immediately following the date on which the relevant Seller has agreed to such Policy Switch, on the Mortgage Payment Date following such Policy Switch, or on the Monthly Payment Date following such Mortgage Payment Date.

The purchase price in case of a repurchase by the relevant Seller of Mortgage Receivables in any of the events described above, will be equal to the Outstanding Principal Amount of the relevant Mortgage Receivable together with interest and reasonable costs relating thereto (including any costs incurred by the relevant Asset Purchaser in effecting and completing such purchase and assignment) accrued up to but excluding the date of purchase and assignment of the relevant Mortgage Receivable. However, in the event of a repurchase as a result of the occurrence of a Mortgage Loan Amendment, the purchase price shall be equal to the Outstanding Principal Amount of the relevant Mortgage Receivable, as described above, except that with respect to Mortgage Receivables which are in arrears for a period exceeding ninety (90) days or in respect of which an instruction has been given to the civil-law notary to start foreclosure proceedings, the purchase price shall be at least the lesser of (i) an amount equal to the foreclosure value of the Mortgaged Assets or, if no valuation report of less than twelve (12) months old is available, the indexed foreclosure value, and (ii) the sum of the Outstanding Principal Amount together with accrued interest due but not paid, if any, and any other amounts due under the relevant Mortgage Receivable.

#### **Asset Purchaser Assignment Notification Events**

If:

- (a) a default is made by the relevant Seller in the payment on the due date of any amount due and payable by it under the relevant Asset Purchaser Mortgage Receivables Purchase Agreement or under any Relevant 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 relevant Asset Purchaser or the Security Trustee to the relevant Seller; or
- (b) the relevant Seller fails duly to perform or comply with any of its obligations under the relevant Asset Purchaser Mortgage Receivables Purchase Agreement or under any other Relevant Document to which it is a party and if such failure, capable of being remedied, is not remedied within ten (10) business days after having knowledge of such failure or notice thereof has been given by the relevant Asset Purchaser or the Security Trustee to the relevant Seller; or
- (c) any representation, warranty or statement made or deemed to be made by the relevant Seller in the relevant Asset Purchaser Mortgage Receivables Purchase Agreement, other than the representations and warranties made in respect of the Relevant Mortgage Loans and the Relevant Mortgage Receivables (which the relevant Seller consequently repurchases), or under any of the other Relevant Documents to which it is a party or if any notice or other document, certificate or statement delivered by it pursuant hereto proves to have been, and continues to be after the expiration of any applicable grace period provided for in any Relevant Document, untrue or incorrect in any material respect; or
- (d) the relevant Seller takes any corporate action or other steps are taken or legal proceedings are started or threatened against it for its dissolution ("*ontbinding*") and liquidation ("*vereffening*") involving the relevant Seller or any of its assets are placed under administration ("*onder bewind gesteld*"); or
- (e) the relevant Seller has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for its entering into emergency regulations ("*noodregeling*") as referred to in Chapter 3 of the Act on Financial Supervision ("*Wet op het financieel toezicht*" or "**Wft**") as amended from time to time, 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 relevant Seller to perform all or a material part of its obligations hereunder or under any Relevant Document to which it is a part; or
- (g) the relevant Seller has given materially incorrect information or not given material information which was essential for the relevant Asset Purchaser and the Security Trustee in connection with the entering into the

relevant Asset Purchaser Mortgage Receivables Purchase Agreement and/or any of the Relevant Documents;  
or

- (h) an Asset Purchaser Pledge Notification Event occurs; or
- (i) the relevant Seller is no longer a direct or indirect subsidiary of Fortis N.V./S.A. and/or Fortis N.V. within the meaning of article 2:24 a Netherlands Civil Code; or
- (j) (a) the credit rating of FBN Holding's (i) short term unsecured, unsubordinated and unguaranteed debt obligations falls below A-2 by S&P or such rating is withdrawn by S&P or (ii) long term unsecured, unsubordinated and unguaranteed debt obligations falls below A- by Fitch or such rating is withdrawn by Fitch and (b) (i) the relevant Seller (1) has not opened an escrow account in the name of the relevant Asset Purchaser, for its own account, with a party having at least the Seller Collection Account Provider Required Rating, and (2) has not transferred to the escrow account within (30) days after such downgrade, an amount equal to the aggregate amount of deposits held by the Borrowers on any savings or current accounts held with the relevant Seller (excluding Construction Amounts) or (ii) the relevant Seller has not found and complied with any other solution acceptable to S&P and/or Fitch, as the case may be, within ten (10) days after such downgrade; or
- (k) the credit rating of FBN Holding's long term unsecured, unsubordinated and unguaranteed debt obligations falls below BBB- by Fitch or such rating is withdrawn; or
- (l) the credit rating of FBN Holding's long term unsecured, unsubordinated and unguaranteed debt obligations falls below Baa3 by Moody's or such rating is withdrawn; or
- (m) the credit rating of FBN Holding's long term unsecured, unsubordinated and unguaranteed debt obligations falls below BBB- by S&P or such rating is withdrawn;

then

- (i) the Seller to which the Asset Purchaser Assignment Notification Event relates shall, unless the Security Trustee instructs the relevant Seller otherwise, forthwith notify or ensure that the relevant Borrowers and any other relevant parties indicated by the relevant Asset Purchaser and/or the Security Trustee are forthwith notified of the assignment of the Mortgage Receivables or, at its option, the relevant Asset Purchaser shall be entitled to make such notifications itself. The Security Trustee will only instruct the relevant Seller not to give notice of the assignment as described above, if it has received confirmation from the Rating Agencies, other than Moody's, that as a result of not giving such notice the Notes will not be downgraded below the Minimum Ratings of the Notes or, if the ratings of the Notes are below the Minimum Ratings of the Notes, to maintain the then current ratings assigned to the Notes and in respect of Moody's, Moody's is notified of such instruction not to give such notice of the assignment; and
- (ii) in respect of Revolving Credit Mortgage Receivables, the relevant Seller shall, at its option, either:
  - (a) undertake to use its best efforts to terminate the related revolving credit facility agreement in respect of the available credit facility (being, for the avoidance of doubt, the amount equal to the maximum amount of the facility minus the Outstanding Principal Amount of the Revolving Credit Mortgage Receivable, the '**Available Credit Facility**'), in order to effectuate that the Available Credit Facility is cancelled and any amount prepaid or repaid may not be redrawn and at the same time the Seller shall offer, at its own cost, a new revolving credit facility agreement to the Borrower but only for an amount equal to the Available Credit Facility of the terminated facility including any increased with any repayments and prepayments, if any; or
  - (b) repurchase and accept reassignment of the relevant Revolving Credit Mortgage Receivables within 60 days of the occurrence of the relevant Notification Event.

In addition, pursuant to the relevant Asset Purchaser Beneficiary Waiver Agreement (i) the relevant Seller, subject to the condition precedent of the occurrence of an Asset Purchaser Assignment Notification Event, waives its right as beneficiary under the Insurance Policies and appoints as first beneficiary (x) the relevant Asset Purchaser subject to the dissolving condition of the occurrence of an Asset Purchaser Pledge Notification Event relating to the relevant Asset Purchaser and (y) the Security Trustee under the condition precedent of the occurrence of an Asset Purchaser Pledge Notification Event relating to the relevant Asset Purchaser and (ii) upon the occurrence of an Asset Purchaser Pledge Notification Event, the relevant Seller shall (a) use its best efforts to obtain the co-operation from the relevant Insurance Companies and all other parties to appoint as first beneficiary under the Insurance Policies (to the extent such rights have not been waived) (x) the Asset Purchaser under the dissolving condition of the occurrence of an

Asset Purchaser Pledge Notification Event relating to the Asset Purchaser and (y) the Security Trustee under the condition precedent of the occurrence of an Asset Purchaser Pledge Notification Event relating to the relevant Asset Purchaser and (b) with respect to Insurance Policies where a Borrower Insurance Proceeds Instruction has been given, use their best effort to change the payment instruction in favour of the relevant Seller into such instruction in favour of (x) the relevant Asset Purchaser under the dissolving condition of the occurrence of an Asset Purchaser Pledge Notification Event relating to the relevant Asset Purchaser and (y) the Security Trustee under the condition precedent of the occurrence of an Asset Purchaser Pledge Notification Event relating to the relevant Asset Purchaser.

If the credit rating of FBN Holding's short term unsecured, unsubordinated and unguaranteed debt obligations falls below A-2 by S&P or such rating is withdrawn, the obligation to terminate or repurchase the Revolving Credit Mortgage Loans set out above under (ii) also applies.

**Changes in connection with new Asset Purchaser accession**

If a new Asset Purchaser accedes to the Programme the new Asset Purchaser Mortgage Receivables Purchase Agreement may contain different criteria and events than the criteria and events set out above (such as the representations and warranties, Eligibility Criteria, criteria for the purchase of New Mortgage Receivables and Further Advance Receivables, criteria for the repurchase of Mortgage Receivables and the Asset Purchaser Assignment Notification Events), provided that the Rating Agencies have been notified thereof and, except for Moody's, have confirmed that no downgrading of the Notes below the Minimum Ratings will occur, or, if the ratings of the Notes are below the Minimum Ratings of the Notes, the then current ratings assigned to the Notes outstanding will not be adversely affected as a result of such accession.

## ASSET PURCHASER SERVICING AGREEMENTS AND ISSUER ADMINISTRATION AGREEMENT

### Asset Purchaser Servicing Agreements

#### Services

In each Asset Purchaser Servicing Agreement the relevant Pool Servicer will agree to provide administration and management services to the relevant Asset Purchaser on a day-to-day basis in relation to the Relevant Mortgage Loans and the Relevant Mortgage Receivables, including, without limitation, the collection of payments of principal, interest and other amounts in respect of the Relevant Mortgage Receivables and the transfer of such amounts (but no other amounts) on a monthly basis to the relevant Asset Purchaser Collection Account (see also *Cash Collection Arrangements* in *Credit Structure Asset Purchaser*) and the implementation of arrear procedures including the enforcement of mortgage rights (see further *Mortgage Loan Underwriting* and *Servicing of the Initial Sellers* above). The relevant Pool Servicer will be obliged to administer the Relevant Mortgage Loans and the Relevant Mortgage Receivables at the same level of skill, care and diligence as mortgage loans in its own or, as the case may be, the Seller's portfolio.

Each Asset Purchaser Administrator will in the relevant Asset Purchaser Servicing Agreement agree to provide certain administration, calculation and cash management services to the relevant Asset Purchaser, including (a) the production of monthly reports in relation thereto, (b) all payments to be made by the relevant Asset Purchaser under the relevant Asset Purchaser Cashflow Swap Agreement, and (c) the maintaining of all required ledgers in connection with the above.

#### Termination

Each Asset Purchaser Servicing Agreement may be terminated (in respect of the relevant party) by the Security Trustee or the relevant Asset Purchaser (with the consent of the Security Trustee) in certain circumstances, including (a) a default by the relevant Pool Servicer or the relevant Asset Purchaser Administrator in the payment on the due date of any payment due and payable by it under the relevant Asset Purchaser Servicing Agreement, (b) a default by the relevant Pool Servicer or the relevant Asset Purchaser Administrator in the performance or observance of any of its other covenants and obligations under the relevant Asset Purchaser Servicing Agreement or (c) the relevant Pool Servicer or the relevant Asset Purchaser Administrator has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for its entering into suspension of payments or its entering into emergency regulations ("*noodregeling*") as referred to in Chapter 3 of the Act on Financial Supervision ("*Wet financieel toezicht*") or for any analogous insolvency proceedings under any applicable law or for bankruptcy or for the appointment of a receiver or a similar officer of its or any or all of its assets or (d) the relevant Pool Servicer no longer holds a licence as intermediary ("*bemiddelaar*") or offeror ("*aanbieder*") under the Act on Financial Supervision.

After termination of the relevant Asset Purchaser Servicing Agreement, the Security Trustee and the relevant Asset Purchaser shall use their best effort to appoint a substitute administrator or substitute pool servicer and such substitute administrator or substitute pool servicer shall enter into an agreement with the relevant Asset Purchaser and the Security Trustee substantially on the terms of the relevant Asset Purchaser Servicing Agreement, provided that such substitute administrator or substitute pool servicer shall have the benefit of a Mortgage Loans servicing fee and an administration fee at a level to be then determined. Any such substitute pool servicer must have experience of administering mortgage loans and mortgages of residential property in the Netherlands and hold a licence as intermediary or offeror under the Act on Financial Supervision. The relevant Asset Purchaser shall, promptly following the execution of such agreement, pledge its interest in such agreement in favour of the Security Trustee on the terms of the relevant Asset Purchaser Assets Pledge Agreement, *mutatis mutandis*, to the satisfaction of the Security Trustee.

The relevant Asset Purchaser Servicing Agreement may be terminated by the relevant Pool Servicer in respect of it or the relevant Asset Purchaser Administrator in respect of it and by the relevant Asset Purchaser in respect of the Pool Servicer and/or the Asset Purchaser Administrator, upon the expiry of not less than 12 months' notice of termination given by the relevant Pool Servicer and/or the relevant Asset Purchaser Administrator to each of the relevant Asset Purchaser and the Security Trustee, or by the Asset Purchaser to the Pool Servicer and/or the Asset Purchaser

Administrator, as the case may be, and the Security Trustee, provided that - *inter alia* - (a) the Security Trustee consents in writing to such termination and (b) a substitute pool servicer or a substitute administrator, as the case may be, shall be appointed, such appointment to be effective not later than the date of termination of the relevant Asset Purchaser Servicing Agreement and the relevant Pool Servicer or the relevant Asset Purchaser Administrator shall not be released from its obligations under the relevant Asset Purchaser Servicing Agreement until such substitute pool servicer or substitute administrator has entered into such new agreement.

### **Issuer Administration Agreement**

#### *Services*

In the Issuer Administration Agreement the Issuer Administrator will agree to provide certain administration, calculation and cash management services to the Issuer, including (a) the direction of amounts to be received from the Asset Purchasers to the relevant Issuer Collection Account and the production of monthly and quarterly reports in relation thereto and the distribution of such reports to the relevant parties (including to any Series 0 Noteholders if so requested), (b) drawings (if any) to be made by the Issuer from the Issuer Reserve Account, (c) if applicable, all payments to be made by the Issuer under each Issuer Currency Swap Agreement, (d) all payments to be made by the Issuer under the Notes in accordance with the Paying Agency Agreement and the Conditions, (e) the maintaining of all required ledgers in connection with the above and (f) all calculations to be made pursuant to the Conditions under the Notes.

#### *Termination*

The Issuer Administration Agreement may be terminated (in respect of the relevant party) by the Security Trustee or the Issuer (with the consent of the Security Trustee) in certain circumstances, including (a) a default by the Issuer Administrator in the payment on the due date of any payment due and payable by it under the Issuer Administration Agreement, (b) a default by the Issuer Administrator in the performance or observance of any of its other covenants and obligations under the Issuer Administration Agreement, or (c) the Issuer Administrator has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for its entering into suspension of payments or for any analogous insolvency proceedings under any applicable law or for bankruptcy or for the appointment of a receiver or a similar officer of its or any or all of its assets.

After termination of the Issuer Administration Agreement, the Security Trustee and the Issuer shall use their best effort to appoint a substitute administrator and such substitute administrator shall enter into an agreement with the Issuer and the Security Trustee substantially on the terms of the Issuer Administration Agreement, provided that such substitute administrator shall have the benefit of an administration fee at a level to be then determined. The Issuer shall, promptly following the execution of such agreement, pledge its interest in such agreement in favour of the Security Trustee on the terms of the Issuer Assets Pledge Agreement, *mutatis mutandis*, to the satisfaction of the Security Trustee.

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

### **Market Abuse Directive**

The Directive 2003/6/EC of 28 January 2003 on insider dealing and market manipulation (the '**Market Abuse Directive**') and the Dutch legislation implementing this Directive (the Market Abuse Directive and the Dutch implementing legislation together referred to as the '**MAD Regulations**') *inter alia* impose on the Issuer to disclose inside information and to maintain a list of persons that act on behalf of or for the account of the Issuer and who, on a regular basis, have access to inside information in respect of the Issuer.

The Issuer Administrator has accepted the tasks of maintaining the list of insiders and to organise the assessment and disclosure of inside information, if any, on behalf of the Issuer. The Issuer Administrator shall have the right to

consult with the Pool Servicers and any legal counsel, accountant, banker, broker, securities company or other company other than the Rating Agencies and the Security Trustee in order to analyse whether the information can be considered to be inside information which must be disclosed in accordance with the MAD Regulations. If disclosure is required, the Administrator shall procure the publication of such information in accordance with the MAD Regulations. Notwithstanding the delegation of compliance with the MAD Regulations to the Issuer Administrator, the Issuer shall ultimately remain legally responsible and liable for such compliance.

## ASSET PURCHASER SUB-PARTICIPATION AGREEMENTS

Under each Asset Purchaser Sub-participation Agreement the relevant Asset Purchaser grants to the relevant Savings Participants a sub-participation in the relevant Savings Mortgage Receivables and Hybrid Savings Mortgage Receivables.

### Participation

In the relevant Asset Purchaser Sub-participation Agreement the relevant Savings Participants will undertake to pay to the relevant Asset Purchaser in respect of the relevant Savings Mortgage Receivables and Hybrid Savings Mortgage Receivables:

- (i) on (a) with respect to Savings Mortgage Receivables and Hybrid Savings Mortgage Receivables purchased by the Asset Purchaser, the relevant Mortgage Purchase Date, (b) with respect to Investment Mortgage Loans with Fortis Hypotheek Bank N.V. on the Mortgage Purchase Date immediately succeeding the date of a switch of premia accumulated in eligible investments into a Savings Insurance Policy with any of the Savings Participants and (c) with respect to a Hybrid Savings Mortgage Loans on the Mortgage Purchase Date immediately succeeding the date of a switch of premia accumulated in the investment part of the Insurance Policy into a savings part of the Insurance Policy, the Savings Premia received by the Savings Participants, or in respect of Fortis Bank (Nederland) N.V. as Savings Participant the Savings Premium received by the Insurance Companies as Savings Premium, and accrued interest thereon up to the first day of the month in which the Mortgage Purchase Date falls (the **'Initial Participation'**);
- (ii) on each Mortgage Payment Date an amount equal to (i) the amount received by the relevant Savings Participants as Savings Premium in respect of Savings Mortgage Receivables other than those referred to in item (i) below and (ii) in respect of Savings Mortgage Receivables combined with a Savings Insurance Policy with REAAL Levensverzekeringen N.V., Levob Levensverzekering N.V. and Robein Leven N.V. and in respect of Hybrid Savings Mortgage Receivables, the amount scheduled to be received by the relevant Insurance Company as Savings Premium, during the Mortgage Collection Period then ended.

As a consequence of such payments each of the relevant Savings Participants will acquire a participation (the **'Participation'**) in each relevant Savings Mortgage Receivable and Hybrid Savings Mortgage Receivable, which is equal to the Initial Participation in respect of the relevant Savings Mortgage Receivable and Hybrid Savings Mortgage Receivable, increased during each Mortgage Collection Period on the basis of the following formula (the **'Participation Increase'**):

$$\frac{(P + T) \times R + S}{H}$$

P = the Participation on the first day of the relevant Mortgage Collection Period in the relevant Savings Mortgage Receivable or such Hybrid Savings Mortgage Receivable;

T = the amount of the Savings Premium scheduled to be received at the beginning of the Mortgage Collection Period in respect of the relevant Savings Mortgage Receivable or Hybrid Savings Mortgage Receivable and actually received by the relevant Asset Purchaser from the relevant Savings Participant;

S = the amount of the Savings Premium scheduled to be received at the end of the Mortgage Collection Period in respect of the relevant Savings Mortgage Receivable or Hybrid Savings Mortgage Receivable and actually received by the relevant Asset Purchaser from the relevant Savings Participant;

R = in respect of the relevant Savings Mortgage Receivable or Hybrid Savings Mortgage Receivable the amount of interest due by the Borrower and actually received by the relevant Asset Purchaser in such Mortgage Collection Period;

H = the principal sum outstanding on the relevant Savings Mortgage Receivable or Hybrid Savings Mortgage Receivable on the first day of the relevant Mortgage Collection Period.

In consideration for the undertaking of the Savings Participants described above, the relevant Asset Purchaser will undertake to pay to each Savings Participant on each Mortgage Payment Date an amount equal to the Participation in each of the Savings Mortgage Receivables and Hybrid Savings Mortgage Receivables in respect of which amounts have been received during the relevant Mortgage Collection Period (i) by means of repayment and prepayment in full for the Mortgage Receivables, but excluding prepayment penalties, if any, (ii) in connection with a repurchase of Savings Mortgage Receivables and/or Hybrid Savings Mortgage Receivables pursuant to the relevant Asset Purchaser Mortgage Receivables Purchase Agreement and any other amounts received pursuant to the relevant Asset Purchaser Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal, (iii) in connection with a sale of relevant Savings Mortgage Receivables and/or Hybrid Savings Mortgage Receivables pursuant to the Asset Purchaser Trust Agreement to the extent such amounts relate to principal, and (iv) as Net Proceeds on the relevant Savings Mortgage Receivables and Hybrid Savings Mortgage Receivables to the extent such amounts relate to principal (the '**Participation Redemption Available Amount**').

#### **Reduction of Participation**

If a Borrower asserts a defence, including but not limited to a right of set-off or counterclaim against any person in respect of a Savings Mortgage Receivable or Hybrid Savings Mortgage Receivable, based upon a default in the performance, whether in whole or in part, by the relevant Savings Participant or, for whatever reason, the relevant Savings Participant does not pay the insurance proceeds when due and payable, whether in full or in part, under the relevant Savings Insurance Policy or Hybrid Insurance Policy and, as a consequence thereof, the relevant Asset Purchaser will not have received any amount in respect of such Savings Mortgage Receivable or Hybrid Savings Mortgage Receivable, which was outstanding prior to such event, the Participation of the relevant Savings Participant in respect of such Savings Mortgage Receivable or Hybrid Savings Mortgage Receivable will be reduced by an amount equal to the amount which the relevant Asset Purchaser has failed to receive as a result of such defence and the calculation of the Participation Redemption Available Amount shall be adjusted accordingly.

#### **Asset Purchaser Enforcement Notice**

If an Enforcement Notice, or an Asset Purchaser Enforcement Notice, is given by the Security Trustee to the relevant Asset Purchaser, then and at any time thereafter the Security Trustee on behalf of the Savings Participants may, and if so directed by the Savings Participants shall, by notice to the relevant Asset Purchaser:

- (i) declare that the obligations of the Savings Participants under the relevant Asset Purchaser Sub-participation Agreement are terminated;
- (ii) declare the Participation to be immediately due and payable, whereupon it shall become so due and payable, but such payment obligations shall be limited to the Participation Redemption Available Amount received or collected by the relevant Asset Purchaser or, in case of enforcement, the Security Trustee under the Savings Mortgage Receivables and Hybrid Savings Mortgage Receivables.

#### **Termination**

If one or more of the Savings Mortgage Receivables and/or Hybrid Savings Mortgage Receivables are (x) repurchased by the relevant Seller from the relevant Asset Purchaser pursuant to the relevant Asset Purchaser Mortgage Receivables Purchase Agreement or (y) sold by the relevant Asset Purchaser to a third party pursuant to the relevant Asset Purchaser Trust Agreement or (z), in respect of Investment Mortgage Loans sold and assigned by Fortis Hypotheek Bank N.V. and/or Hybrid Savings Mortgage Loans, in case of a Policy Switch, provided that on the relevant Mortgage Payment Date the Participation Increase relating to the relevant Savings Participant is at least equal to the Participation in the relevant Savings Mortgage Receivable or the relevant Hybrid Savings Mortgage Receivable, the Participation in such Savings Mortgage Receivable and/or Hybrid Savings Mortgage Receivable will terminate and the Participation Redemption Available Amount in respect of the Savings Mortgage Receivable and Hybrid Savings Mortgage Receivable will be paid by the relevant Asset Purchaser to the relevant Savings Participants. If so requested by the relevant Savings Participants, the relevant Asset Purchaser will undertake its best efforts to ensure that the purchaser of the Savings Mortgage Receivables and Hybrid Savings Mortgage Receivables will enter into a sub-participation agreement with the Savings Participants in a form similar to the Asset Purchaser Sub-



participation Agreement. Furthermore, the Participation envisaged in the Asset Purchaser Sub-participation Agreement shall terminate if at the close of business of any Mortgage Payment Date each of the Savings Participants has received the Participation in respect of the Savings Mortgage Receivables and the Hybrid Savings Mortgage Receivables.

## ASSET PURCHASERS

The Asset Purchasers are (i) Dolphin Asset Purchasing FBN B.V. and (ii) Dolphin Asset Purchasing FHB B.V. (the '**Asset Purchasers**').

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

Dolphin Asset Purchasing FHB B.V. was incorporated as a private company with limited liability ("*besloten vennootschap met beperkte aansprakelijkheid*") under the laws of the Netherlands on 21 August 2007 under number B.V. 1450080. The corporate seat ("*statutaire zetel*") of Dolphin Asset Purchasing FHB B.V. is in Amsterdam, the Netherlands. The registered office of Dolphin Asset Purchasing FHB B.V. is at Frederik Roeskestraat 123, 1076 EE Amsterdam and its telephone number is +31 20 577 1177. Dolphin Asset Purchasing FHB B.V. is registered with the Commercial Register of the Chamber of Commerce of Amsterdam under number 34281058.

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

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

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

The Asset Purchasers have the corporate power and capacity to take up loans from time to time and to acquire Mortgage Receivables from time to time and to enter into and perform its obligations under the Relevant Documents (see further *Terms and Conditions of the Notes* below).

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

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

The Asset Purchaser Director has entered into a management agreement with the entity of which it has been appointed managing director ("*statutair directeur*"). In these management agreements each of the Asset Purchaser Directors agrees and undertakes to, *inter alia*, (i) do all that an adequate managing director ("*statutair directeur*") should do or should refrain from doing, and (ii) refrain from taking any action (a) detrimental to the obligations under any of the Relevant Documents or (b) which would result in a change to the ratings assigned to the Notes outstanding below the Minimum Ratings of the Notes or, if the ratings of the Notes are below the Minimum Ratings of the Notes, will adversely affect the then current ratings assigned to the Notes outstanding. In addition each of the Asset Purchaser Directors agrees in the relevant management agreement that it will not enter into any agreement in relation

to the relevant Asset Purchaser other than the Relevant Documents to which it is a party, without the prior written consent of the Security Trustee and after having received written confirmation by the Rating Agencies, other than Moody's, that there will be no downgrade of the ratings assigned to the Notes outstanding below the Minimum Ratings of the Notes or, if the ratings of the Notes are below the Minimum Ratings of the Notes, will adversely affect the then current ratings assigned to the Notes outstanding and in respect of Moody's, Moody's is notified thereof.

The financial year of each Asset Purchaser coincides with the calendar year. The first financial year will end on 31 December 2008.

### **Capitalisation**

The following table shows the capitalisation of each Asset Purchaser as of the Programme Closing Date:

#### **Share Capital**

Authorised Share Capital	euro 90,000
Issued Share Capital	euro 18,000

## IC LOAN AGREEMENTS

On the Programme Closing Date and on each Asset Purchaser Accession Date the Issuer will enter into an IC Loan Agreement (governed by Netherlands law) with the relevant Asset Purchaser. Under each IC Loan Agreement each Asset Purchaser, at its request, may borrow monies on each Monthly Payment Date and the Issuer shall be obliged to lend monies on such date, if the Issuer has sufficient funds available for such purpose and certain other conditions are met, including the condition that no Asset Purchaser Enforcement Notice has been served in respect of this Asset Purchaser and no Trigger Event has occurred. An Asset Purchaser will use the net proceeds from each IC Loan to pay to the relevant Seller (part of) the Initial Purchase Price for the purchase of Relevant Mortgage Receivables from time to time pursuant to the relevant Asset Purchaser Mortgage Receivables Purchase Agreement.

On each Monthly Calculation Date the relevant Asset Purchaser will inform the Issuer whether it wishes to make a drawing under the IC Loan Agreement, or that it will repay any part of the IC Loan on the succeeding Monthly Payment Date or any date thereafter. If a new IC Loan is requested and if the Issuer foresees that it will not have sufficient funds available for such purpose, the Issuer will undertake its best efforts to issue new Notes on (or prior to) the Monthly Payment Date following the next succeeding Monthly Payment Date, subject to the conditions for the issue of such Notes being complied with.

### IC Loan Interest

Interest will accrue on each IC Loan for a certain period (each an '**IC Interest Period**'). Each IC Interest Period starts on, and includes, a Monthly Payment Date and ends on, but excludes, the next succeeding Monthly Payment Date (unless an IC Loan is repaid prior to such date, in which case the date of repayment applies), provided that the first IC Interest Period for an IC Loan will be the period commencing on (and including) the Utilisation Date on which the IC Loan was granted to the relevant Asset Purchaser and ending on (and excluding) the immediately following Monthly Payment Date (unless an IC Loan is repaid prior to such date, in which case the date of repayment applies).

The interest payable on all IC Loans on a Note Payment Date (the '**Aggregate IC Loan Interest**') will be equal to (a) the amounts due by the Issuer on this Note Payment Date under items (e) to (m) (inclusive) excluding items (f), (h), (j) and (l) of the Issuer Interest Priority of Payments and, furthermore, excluding any interest accrued due but unpaid on the Notes, but including interest accrued in the relevant Floating Rate Interest Period on such accrued due but unpaid interest on the Notes, (b) less any interest actually received on the Issuer Accounts in the Note Collection Period immediately preceding such Note Payment Date.

The interest payable on an IC Loan by an Asset Purchaser on a Note Payment Date will be the sum of the amounts of interest payable on this IC Loan in respect of the last three IC Interest Periods and will be paid to the Issuer on the immediately following Note Payment Date.

The interest payable on an IC Loan in respect of an IC Interest Period will be equal to the product of the following items:

- i) the Aggregate IC Loan Interest; and
- ii) a fraction (the '**IC Loan Monthly Fraction**') in respect of such IC Loan and of such IC Interest Period.

The IC Loan Monthly Fraction in respect of an IC Loan and of an IC Interest Period is the fraction of:

- i) the Principal Outstanding Amount of such IC Loan on the first day of such IC Interest Period (taking into account the amount of principal repaid on such day, if any, and any new IC Loans and any principal repaid in such IC Interest Period multiplied by the actual number of days elapsed since the first day of such IC Interest Period divided by the actual number of days in such IC Interest Period) divided by:
- ii) the sum of the following elements:

- a) The Principal Outstanding Amount of all IC Loans then outstanding on the first day of the first IC Interest Period of the current Floating Rate Interest Period (taking into account the amount of principal repaid on such day, if any)
- b) The Principal Outstanding Amount of all IC Loans then outstanding on the first day of the second IC Interest Period of the current Floating Rate Interest Period (taking into account the amount of principal repaid on such day)
- c) The Principal Outstanding Amount of all IC Loans then outstanding on the first day of the third IC Interest Period of the current Floating Rate Interest Period (taking into account the amount of principal repaid on such day)

In the event that on any relevant Note Calculation Date the relevant Asset Purchaser has insufficient funds available to it to satisfy its obligations in respect of amounts of interest due on the IC Loans on the next Note Payment Date, the relevant Asset Purchaser shall credit the relevant IC Loan Interest Deficiency Ledger, with an amount equal to the amount by which the aggregate amount of interest paid on the IC Loans, on such relevant Note Payment Date, in accordance herewith falls short of the aggregate amount of interest payable on such IC Loan on that date. Such shortfall shall not be treated as due on that date for the purposes of IC Loan Event of Default, and shall not accrue interest, and such shortfall shall be aggregated with the amount of, and treated for the purpose of hereof as if it were interest due, subject to this provision, on each IC Loan on the next succeeding Note Payment Date.

Any shortfall in the amount payable as interest on the IC Loans will be recorded on the relevant IC Loan Interest Deficiency Ledger.

#### **IC Loan Costs**

Each Asset Purchaser shall pay, on each Note Payment Date, a *pro rata* part of certain costs of the Issuer. The relevant part of the Aggregate IC Loan Costs payable by an Asset Purchaser on the succeeding Note Payment Date in respect of an IC Interest Periods will be equal to the Aggregate IC Loan Costs payable by all Asset Purchasers on the succeeding Note Payment Date, multiplied by the aggregate IC Loan Monthly Fractions in respect of all IC Loans of the relevant Asset Purchaser (in respect of such Asset Purchaser on any Note Payment Date, the amounts so calculated for the three successive IC Interest Periods immediately preceding such Note Payment Date together the '**IC Loan Costs**'). The '**Aggregate IC Loan Costs**' shall mean on a Note Payment Date the amounts due by the Issuer on that Note Payment Date under items (a) to (d)(inclusive) of the Issuer Interest Priority of Payments.

#### **Interest Discount**

Until an Asset Purchaser Enforcement Notice has been served the relevant Asset Purchaser shall be entitled to receive an interest discount on each Note Payment Date equal to the Interest Discount Payment on such Note Payment Date multiplied by the relevant IC Loan Quarterly Fraction. On each Note Payment Date the '**Interest Discount Payment**' will mean the amount by which the Issuer Interest Available Amount exceeds the Issuer Interest Payable Amount on such Note Payment Date. The '**Issuer Interest Payable Amount**' shall mean the amounts payable on the relevant Notes Payment Date under items (a) to (o) of the Issuer Interest Priority of Payments.

#### **Repayment of principal**

Any IC Loan Agreement will have a maximum maturity of twenty-five years, counting from the date the IC Loan is granted by the Issuer to the Asset Purchaser (the '**IC Loan Final Maturity Date**'). Any IC Loan outstanding on the Programme Final Maturity Date or, as the case may be, the IC Loan Final Maturity Date, shall be repaid in full on such date, subject to the relevant Asset Purchaser Trust Agreement.

If an IC Loan is repaid on the IC Loan Final Maturity Date, the Asset Purchaser may request a new IC Loan for a maximum amount equal to the Principal Outstanding Amount of such IC loan on the relevant IC Loan Final Maturity Date. Any payment in respect of such request, or requests, as the case may be, may be set-off with the IC Loan that is repaid on such date.

On each Monthly Payment Date each Asset Purchaser has the right to pay all principal receipts received by it on the

relevant Mortgage Receivables in the immediately preceding Mortgage Collection Period, up to the Asset Purchaser Pass-through Payable Amount, to the Issuer as repayment of principal under the IC Loans. On each Note Payment Date each Asset Purchaser shall pay all principal receipts received by it on the relevant Mortgage Receivables in the immediately preceding Note Collection Period, less any such amount paid on the two immediately preceding Monthly Payment Dates, up to the sum of the Asset Purchaser Pass-through Payable Amounts in respect of each Mortgage Collection Period falling in such Note Collection Period, to the Issuer as repayment of principal under the IC Loans (in order of seniority). The '**Programme Final Maturity Date**' means the Final Maturity Date of the last maturing Series and Class or Sub-class of Notes (which, for the avoidance of doubt, will automatically be prolonged through the issue of Notes with a later Final Maturity Date).

Furthermore, each Asset Purchaser shall undertake its best efforts to repay, which best efforts undertaking includes the sale of Mortgage Receivables to the extent necessary, on:

- a) each Step-Up Date relating to a Series and Class of Notes, or Sub-class thereof, as the case may be, and on each Note Payment Date thereafter an amount equal to the amount the Issuer requires on such Note Payment Date to redeem such Series and Class of Notes, or Sub-class thereof, as the case may be, in accordance with Condition 6(d) multiplied by the relevant IC Loan Quarterly Fraction, or any other allocation among the Asset Purchasers as agreed between the Issuer and each Asset Purchaser.
- b) each Note Payment Date on which a Series and Class Clean-up Call Option set out in Condition 6(e) relating to a Series and Class of Notes is exercised, an amount equal to the amount the Issuer requires on such Note Payment Date to redeem such Series of Notes in accordance with Condition 6(e) multiplied by the relevant IC Loan Quarterly Fraction, or any other allocation among the Asset Purchasers as agreed between the Issuer and each Asset Purchaser.
- c) each Note Payment Date on which a Programme Clean-up Call Option set out in Condition 6(f) is exercised by the Issuer, an amount equal to the amount the Issuer requires on such Note Payment Date to redeem the Notes in accordance with Condition 6(f) multiplied by the relevant IC Loan Quarterly Fraction, or any other allocation among the Asset Purchasers as agreed between the Issuer and each Asset Purchaser.
- d) each Note Payment Date on which the Notes are redeemed by the Issuer for tax reasons as set out in Condition 6(h), an amount equal to the amount the Issuer requires on such Note Payment Date to redeem the Notes in accordance with Condition 6(h) multiplied by the relevant IC Loan Quarterly Fraction, or any other allocation among the Asset Purchasers as agreed between the Issuer and each Asset Purchaser.

On each Note Payment Date on which the relevant Seller exercises its Regulatory Call Option, the relevant Asset Purchaser shall repay the IC Loans then owing under the relevant IC Loan Agreement to the Issuer by applying the proceeds of such sale to the Seller.

The amount payable to the Issuer under the IC Loans will be limited to the amounts available for such purpose to the relevant Asset Purchaser in accordance with the relevant Asset Purchaser Trust Agreement.

#### **IC Loan Event of Default**

In respect of the relevant Asset Purchaser if:

- a) an Enforcement Notice is given; or
- b) the relevant Asset Purchaser fails to pay any amount due and payable by it under or pursuant to the relevant IC Loan Agreement or any other Relevant Document to which it is party and, if such failure is capable of being remedied, such failure is not remedied within 10 (ten) business days after notice thereof has been given by the Security Trustee to such Asset Purchaser or such Asset Purchaser becoming aware of the failure to comply; or
- c) the relevant Asset Purchaser fails duly to perform or comply with any other obligation expressed to be assumed by it in the relevant IC Loan Agreement or under any other Relevant Document to which it is a party, if such failure is capable of being remedied, such failure is not remedied within 10 (ten) business days after notice thereof has been given by the Security Trustee to such Asset Purchaser or any such other party; or
- d) any representation, warranty or statement made by the relevant Asset Purchaser in the relevant IC Loan

Agreement or in any of the other Relevant Documents to which it is a party or in any notice or other document, certificate or statement delivered by it pursuant hereto or thereto proves to have been, and continues to be after the expiration of any applicable grace period provided for in any Relevant Document, untrue or incorrect in any material respect; or

- e) the relevant Asset Purchaser takes any corporate action or other steps are taken or legal proceedings are started or threatened against it for its dissolution ("*ontbinding*"), liquidation ("*vereffening*"), legal merger ("*juridische fusie*") or legal demerger ("*juridische splitsing*"); or
- f) the Asset Purchaser has been declared bankrupt ("*faillissement*") or has been granted a suspension of payments ("*surseance van betaling*"), or has become subject to any analogous insolvency proceedings under any applicable law or the Asset Purchaser has applied for a declaration of bankruptcy or suspension of payments or its assets are placed under administration ("*onder bewind gesteld*") pursuant to such procedures; or
- g) at any time it becomes unlawful for the Asset Purchaser to perform any or all of its obligations hereunder or under any other Relevant Documents to which it is a party; or
- h) a creditor of the Asset Purchaser attaches, or takes possession of, all or any parts of the undertakings, assets, rights or revenues of the Asset Purchaser and the same is not released or discharged within 30 (thirty) days.

(each an '**IC Loan Event of Default**') then, except in the case of the occurrence of the event described under item (a) and (f), in which case the IC Loans, and each IC Loan, automatically becomes immediately due and payable together with accrued interest, the Security Trustee (on behalf of the Issuer) at its discretion may give notice (an '**Asset Purchaser Enforcement Notice**') (but in the case of the occurrence of any of the events mentioned under (b), (c), (d), (g) and (h), only if the Security Trustee shall have certified in writing to the relevant Asset Purchaser and the Issuer that such an event is, in its opinion, materially prejudicial to the Issuer) to the relevant Asset Purchaser that the IC Loans are, and each IC Loan shall become, immediately due and payable together with accrued interest.

### DOLPHIN MASTER ISSUER B.V.

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

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

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

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

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

Since its incorporation, the Issuer has entered into transactions under the Programme. Since the Issuer's first financial year will end on 31 December 2008, no financial statements have been prepared. The Issuer has not made payments of principal under the Notes, but it has made payments of interest under the Notes. Since its incorporation there has been no material adverse change in the financial position or prospects of the Issuer. An overview of the Issuer's capitalisation is set out below. As of the date of this Base Prospectus, the Issuer has incurred no indebtedness other than set out in the capitalisation overview under 'Borrowings' There are no legal, arbitration or governmental proceedings which may have, or have had in the recent past, a significant effect on the Issuer's financial position or profitability nor, so far as the Issuer is aware, are any such proceedings pending or threatened.

The Issuer has the corporate power and capacity to issue Notes from time to time and to advance IC Loans to Asset Purchasers from time to time and to enter into and perform its obligations under the Relevant Documents (see further *Terms and Conditions of the Notes* below).

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

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

Each of the Issuer Director, the Security Trustee Director and the Holding Director has entered into a management agreement with the entity of which it has been appointed managing director ("*statutair directeur*"). In these management agreements each of the Issuer Director, the Security Trustee Director and the Holding Director agrees and undertakes to, *inter alia*, (i) do all that an adequate managing director ("*statutair directeur*") should do or should refrain from doing, and (ii) refrain from taking any action (a) detrimental to the obligations under any of the Relevant



Documents or (b) which would result in a change to the ratings assigned to the Notes outstanding below the Minimum Ratings of the Notes or, if the ratings of the Notes are below the Minimum Ratings of the Notes, will adversely affect the then current ratings assigned to the Notes outstanding. In addition each of the Issuer Director, the Security Trustee Director and the Holding Director agrees in the relevant management agreement that it will not enter into any agreement in relation to the Issuer other than the Relevant Documents to which it is a party, without the prior written consent of the Security Trustee and after having received written confirmation by the Rating Agencies, other than Moody's, that there will be no downgrade of the ratings assigned to the Notes outstanding below the Minimum Ratings of the Notes or, if the ratings of the Notes are below the Minimum Ratings of the Notes, will adversely affect the then current ratings assigned to the Notes outstanding and in respect of Moody's, Moody's is notified thereof.

The financial year of the Issuer coincides with the calendar year. The first financial year will end on 31 December 2008.

### **Capitalisation**

The following table shows the capitalisation of the Issuer as of the Monthly Payment Date falling in July 2008:

#### **Share Capital**

Authorised Share Capital	euro 90,000
Issued Share Capital	euro 18,000

#### **Borrowings**

Class A Notes	euro 10,232,000,000
Class B Notes	euro 244,000,000
Class C Notes	euro 288,600,000
Class D Notes	euro 244,000,000
Class E Notes	euro 99,900,000

#### **The Issuer has granted the following IC Loans:**

Dolphin Asset Purchaser FBN B.V.	euro 7,448,847,090.07
Dolphin Asset Purchaser FHB B.V.	euro 3,651,152,909.93

## FORM OF THE NOTES

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

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

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

On and after the date (the '**Exchange Date**') which is not less than 40 days nor more than 90 days after the date on which the Temporary Global Note is issued, interests in the Temporary Global Note will be exchangeable (free of charge), upon request as described therein, either for interests in a Permanent Global Note without receipts, interest coupons or talons or for definitive Notes (as indicated in the applicable Final Terms) in each case (if the Notes are subject to TEFRA D selling restrictions) against certification of beneficial ownership as described in the preceding paragraph unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest or principal due on or after the Exchange Date, unless upon due presentation of this Temporary Global Note for exchange as aforesaid, delivery of any of the Notes in definitive form or Coupons is improperly withheld or refused.

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

Each Permanent Global Note will be exchangeable for Definitive Notes only in the circumstances described below. The Notes will be issued in such denominations as set forth in the applicable Final Terms save that the minimum denomination of each Notes will be such as may be allowed or required from time to time by the relevant central bank or regulatory authority (or equivalent body) or any laws or regulations applicable to the relevant Currency and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which would otherwise require the publication of a prospectus under the Prospectus Directive will be € 50,000 (or if the Notes are denominated in a currency other than euro, the equivalent amount in such currency). In respect of a Note held through a Common Depository or a Common Safekeeper for Euroclear or Clearstream, Luxembourg, each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note will be entitled to receive any payment made in respect of that Note in accordance with the respective rules and procedures of Euroclear or, as the case may be, Clearstream, Luxembourg. Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes, which must be made by the holder of a Global Note, for so long as such Global Note is outstanding.

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

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

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

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

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

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

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

The sections referred to in such legend provide that a United States person who holds a Note will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note and any gain (which might

otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

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

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

## FINAL TERMS

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

[Date]

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

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

**Issue of [...] (Aggregate Nominal Amount of Series of Notes)**

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

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

**under the Euro [...]**

**Residential Mortgage Backed Note Programme**

**[Dealers/Managers]**

### PART A - CONTRACTUAL TERMS

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

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

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

- |    |                                      |                                                 |
|----|--------------------------------------|-------------------------------------------------|
| 1. | Issuer:                              | Dolphin Master Issuer B.V.                      |
| 2. | Currency:                            | [euros/dollars/other]                           |
| 3. | Class of Notes or Sub-class of Note: | [Class [...] Notes/Sub-class [...] Notes/other] |
| 4. | Series number:                       | [...]                                           |

5. Series: [the Notes described herein comprise [Sub-class [1/2/3, other] of] the Class [specify] Notes of Dolphin Series [specify], and together with all other Notes of Dolphin Series [specify] such Series][the Notes are consolidated with Dolphin Series [specify] and the Notes of Dolphin Series [specify] and the Notes described herein together comprise Dolphin Series [specify] [other]
6. Nominal Amount: [...]
7. Issue Price: [...] per cent. of the Nominal Amount [plus accrued interest from [insert date] (in case of fungible issues only, if applicable)]
8. Denominations: [minimum EUR 50,000 or its equivalent in other currencies or such as may be allowed or required from time to time by the relevant bank or regulatory authority (or equivalent body) or any laws or regulations applicable to the relevant Currency]
9. (a) Issue Date: [...]
- (b) Interest Commencement Date (if different from the Issue Date): [...]
10. Final Maturity Date: Note Payment Date falling in or nearest to [specify month and year]
11. Interest Basis: [Fixed Rate Notes]  
[Floating Rate Notes, Euribor (as calculated in accordance with condition 4c) plus margin specified below/Dollar Libor (as calculated in accordance with condition 4c) plus margin specified below/other]  
[Other]
- (When adding any other interest basis, consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)*

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

12. Fixed Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (a) Fixed Rate prior to the Step-up Date [..] per cent. per annum [payable annually]  
(If payable other than annually, consider amending Condition [Interest])
- (b) As of the Step-up Date the Fixed Rate Notes will switch to Floating Rate Notes [Applicable/Not Applicable]
- (c) Annual Payment Date: [Note Payment Date falling in] [..] in each year up to and including the Step-up Date/[specify other]  
(NB: This will need to be amended in the case of long or short coupons)
- (d) Interest Period Date [..]
- (e) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/Give details]
13. Floating Rate Note Provisions Applicable  
(Note that soft bullet Fixed Rate Notes switch to Floating Interest Rates after the Step-up date)
- (a) Interest: [Euribor][Dollar Libor][specify other and give details] plus Interest Margin
- (i) Interest Margin prior to the Step-up Date: [Not applicable]/[..] per cent. per annum
- (b) Interest Margin after the Step-up Date: [..] per cent. per annum
- (c) Note Payment Date(s): [28th day of September, December, March and June of each year up to and including the Final Maturity Date]/[specify other] (or, if such day is not a Business Day (as defined in the Conditions), the next succeeding Business Day, unless such Business Day falls in the next succeeding calendar month in which event interest on the Notes will be payable on the Business Day immediately preceding such day)

- (d) Specified Period(s)/Specified Note Payment Dates: [...]
- (e) Other terms relating to the method of calculating interest for Floating Rate Notes: [None/Give details]
14. [Other] [...]
- (When changing the interest determination, consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)*

#### PROVISIONS RELATING TO REDEMPTION

15. Series Clean up Call Option [applicable/not applicable]
16. Pass-through Notes or Soft Bullet Notes or other: [Pass-through Notes/Soft Bullet Notes/other]
17. Step-up Date: Note Payment Date [or Annual Payment Date] falling in or nearest to [specify month and year]

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

18. Form of Notes: [[Temporary Global Note exchangeable for a] Permanent Global Note which is exchangeable for Definitive Notes only upon the occurrence of an Exchange Event]
- [Permanent Global Note not exchangeable for Definitive Notes]
19. Exchange Date [Not Applicable/date]
20. Additional Financial Centre(s) or other special provisions relating to Payment Days: [Not Applicable/give details]  
*(Note that this item relates to the place of payment and not Interest Period end dates)*
21. New Global Note: [Yes/No]
22. Other Final terms: [Not Applicable/give details]
- (When adding any other final terms consideration should be given as to whether such terms constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)*



**DISTRIBUTION**

23. (a) If syndicated, names of Managers: [Not Applicable/*give names*]
- (b) If not syndicated, name of Manager: [Not Applicable/*give names*]
- (c) Stabilising Manager (if any): [Not Applicable/*give names*]
24. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: [TEFRA D/TEFRA C/TEFRA not applicable]
25. Additional selling restrictions: [Not Applicable/*give details*]

**LISTING AND ADMISSION TO TRADING APPLICATION**

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the [€ 25,000,000,000] Residential Mortgage Backed Note Programme of Dolphin Master Issuer. B.V.

**RESPONSIBILITY**

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

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

Signed on behalf of the Issuer:

By: .....  
*Duly authorised*

**PART B – OTHER INFORMATION**

<b>1. LISTING</b>	
(i) Listing:	[Euronext Amsterdam/other ( <i>specify</i> )/None ]
(ii) Admission to trading:	[Application has been made for the Notes to be admitted to trading on [Euronext Amsterdam by NYSE Euronext/ <i>specify other</i> ] with effect from [...].] [Not Applicable.]

(iii) Estimate of total expenses related to admission to trading:	[...]
<b>2. RATINGS</b>	
Ratings:	<p>The Notes of Dolphin Series [...] to be issued have been rated:</p> <p>S&amp;P:                    [Class A Notes: AAA  Class B Notes: AA  Class C Notes: A  Class D Notes: BBB  [Class E Notes: [...]]</p> <p>Fitch:                    [Class A Notes: AAA  Class B Notes: AA  Class C Notes: A  Class D Notes: BBB  [Class E Notes: [...]]</p> <p>Moody's:                [Class A Notes: Aaa  Class B Notes: [...]  Class C Notes: [...]  Class D Notes: [...]  [Class E Notes: [...]]</p> <p>DBRS:                    [Class A Notes: AAA  Class B Notes: AA  Class C Notes: A  Class D Notes: BBB</p>

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

### 3. NOTIFICATION

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

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

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

5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES	
(i) Reasons for the offer	[...]  (See ["Use of Proceeds"] wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]
(ii) Estimated net proceeds:	[...]
	(Only required for listed issues. If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)
(iii) Estimated total expenses:	[...] [Include breakdown of expenses]  (If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)

6. OPERATIONAL INFORMATION	
(i) ISIN Code:	[...]

(ii) Common Code:	[...]
[(iii) Fondscode]	[...]
(iv) Any clearing system(s) the relevant identification number(s):	Euroclear and Clearstream, Luxembourg [Euroclear Netherlands] [Not Applicable/ <i>give name(s) and number(s)</i> ]
(v) If NGN form is chosen, the Common Safekeeper on the issue date:	[Not Applicable/ <i>give name and address</i> ]
(vi) If NGN form is not chosen, the Common Depository on the issue date, if applicable:	[Not Applicable/ <i>give name and address</i> ]
(vii) Delivery:	Delivery [ <i>against/free of</i> ] payment
(viii) Names and addresses of additional Paying Agent(s) (if any):	[...]
(ix) Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes/No]  <i>[Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as Common Safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.][include this text if "yes" selected in which case the Notes must be issued in NGN form]</i>
<b>7. OTHER SERIES ISSUED</b>	
The aggregate Principal Amount Outstanding of the Notes on the Issue Date of the Notes described herein issued by Dolphin Master Issuer B.V. [(converted, where applicable, into euros at the [ <i>specify rate</i> ])] including the Notes described herein, will be:	
Class A Notes:	[...]
Class B Notes:	[...]
Class C Notes:	[...]
Class D Notes:	[...]

Class E Notes:	[...]
<b>8. ISSUER CURRENCY SWAP</b>	
(i) Issuer Currency Swap Agreement in respect of this Series and Class or Sub-class (necessary in case of denominations other than euros):	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
(a) Issuer Currency Swap Counterparty:	[give name]
(b) Other provisions in respect of Issuer Currency Swap Agreement:	[none/give details]

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

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

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

*[Include if at the relevant Issue Date New Mortgage Receivables will be sold to the relevant Asset Purchaser or Asset Purchasers and no Consolidated Pool is provided and duplicate for each Asset Purchaser if applicable]* [The numerical data set out below relate to a provisional pool of Mortgage Loans (the '**Provisional Pool**') as of [...] of [all Asset Purchasers]/[insert name of relevant Asset Purchaser] and to the pool of Mortgage Receivables held by of [all Asset Purchasers]/[insert name of relevant Asset Purchaser] prior to the Issue Date (the '**Current Pool**') as of [...]. A final portfolio will be selected on or before the Issue Date, from the Provisional Pool and, as a result of repayments, prepayments, new production and other circumstances, may also include other mortgage loans which

were not included in the Provisional Pool. The information on the Provisional Pool set out below may therefore not necessarily correspond to the Mortgage Receivables actually sold by the relevant Seller or Sellers to the relevant Asset Purchaser or Asset Purchasers on the Issue Date.]

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

<b>Loan to Indexed Foreclosure Value</b>				
<b>Range of Loan to Indexed Foreclosure Value</b>	<b>Number of Borrowers</b>	<b>Proportion of Total (%)</b>	<b>Aggregate Outstanding Principal (euro)</b>	<b>Proportion of Pool (%)</b>
LTFV Indexed <= 0.50				
0.50 < LTFV Indexed <= 0.55				
0.55 < LTFV Indexed <= 0.60				
0.60 < LTFV Indexed <= 0.65				
0.65 < LTFV Indexed <= 0.70				
0.70 < LTFV Indexed <= 0.75				
0.75 < LTFV Indexed <= 0.80				
0.80 < LTFV Indexed <= 0.85				
0.85 < LTFV Indexed <= 0.90				
0.90 < LTFV Indexed <= 0.95				
0.95 < LTFV Indexed <= 1.00				
1.00 < LTFV Indexed <= 1.05				
1.05 < LTFV Indexed <= 1.10				
1.10 < LTFV Indexed <= 1.15				
1.15 < LTFV Indexed <= 1.20				
1.20 < LTFV Indexed <= 1.25				
1.25 < LTFV Indexed <= 1.30				
1.30 < LTFV Indexed <= 1.35				
1.35 < LTFV Indexed <= 1.40				
1.40 < LTFV Indexed <= 1.45				
1.45 < LTFV Indexed <= 1.50				
LTFV Indexed > 1.50				

<b>Loan to Foreclosure Value</b>				
<b>Range of Loan to Foreclosure Value</b>	<b>Number of Borrowers</b>	<b>Proportion of Total (%)</b>	<b>Aggregate Outstanding Principal (euro)</b>	<b>Proportion of Pool (%)</b>
LTFV <= 0.50				
0.50 < LTFV <= 0.55				
0.55 < LTFV <= 0.60				
0.60 < LTFV <= 0.65				
0.65 < LTFV <= 0.70				
0.70 < LTFV <= 0.75				
0.75 < LTFV <= 0.80				
0.80 < LTFV <= 0.85				
0.85 < LTFV <= 0.90				
0.90 < LTFV <= 0.95				
0.95 < LTFV <= 1.00				
1.00 < LTFV <= 1.05				
1.05 < LTFV <= 1.10				
1.10 < LTFV <= 1.15				
1.15 < LTFV <= 1.20				
1.20 < LTFV <= 1.25				
1.25 < LTFV <= 1.30				
1.30 < LTFV <= 1.35				
1.35 < LTFV <= 1.40				
1.40 < LTFV <= 1.45				
1.45 < LTFV <= 1.50				
LTFV > 1.50				
<b>Loan to Indexed Market Value</b>				
<b>Range of Loan to Indexed Market Value</b>	<b>Number of Borrowers</b>	<b>Proportion of Total (%)</b>	<b>Aggregate Outstanding Principal (euro)</b>	<b>Proportion of Pool (%)</b>
LTIMV <= 0.50				
0.50 < LTIMV <= 0.55				
0.55 < LTIMV <= 0.60				
0.60 < LTIMV <= 0.65				
0.65 < LTIMV <= 0.70				
0.70 < LTIMV <= 0.75				
0.75 < LTIMV <= 0.80				
0.80 < LTIMV <= 0.85				
0.85 < LTIMV <= 0.90				
0.90 < LTIMV <= 0.95				
0.95 < LTIMV <= 1.00				
1.00 < LTIMV <= 1.05				
1.05 < LTIMV <= 1.10				
1.10 < LTIMV <= 1.15				
1.15 < LTIMV <= 1.20				
1.20 < LTIMV <= 1.25				
1.25 < LTIMV <= 1.30				
1.30 < LTIMV <= 1.35				
1.35 < LTIMV <= 1.40				
1.40 < LTIMV <= 1.45				
1.45 < LTIMV <= 1.50				
LTIMV > 1.50				

<b>Loan to Market Value</b>				
<b>Range of Loan to Market Value</b>	<b>Number of Borrowers</b>	<b>Proportion of Total (%)</b>	<b>Aggregate Outstanding Principal (euro)</b>	<b>Proportion of Pool (%)</b>
LTMV <= 0.50				
0.50 < LTMV <= 0.55				
0.55 < LTMV <= 0.60				
0.60 < LTMV <= 0.65				
0.65 < LTMV <= 0.70				
0.70 < LTMV <= 0.75				
0.75 < LTMV <= 0.80				
0.80 < LTMV <= 0.85				
0.85 < LTMV <= 0.90				
0.90 < LTMV <= 0.95				
0.95 < LTMV <= 1.00				
1.00 < LTMV <= 1.05				
1.05 < LTMV <= 1.10				
1.10 < LTMV <= 1.15				
1.15 < LTMV <= 1.20				
1.20 < LTMV <= 1.25				
1.25 < LTMV <= 1.30				
1.30 < LTMV <= 1.35				
1.35 < LTMV <= 1.40				
1.40 < LTMV <= 1.45				
1.45 < LTMV <= 1.50				
LTMV > 1.50				

<b>Loan Sizes</b>				
<b>Range of Loan</b>	<b>Number of Borrowers</b>	<b>Proportion of Total (%)</b>	<b>Aggregate Outstanding Principal (euro)</b>	<b>Proportion of Pool (%)</b>
Loan Size <= 200,000				
200,000 < Loan Size <= 300,000				
300,000 < Loan Size <= 400,000				
400,000 < Loan Size <= 500,000				
500,000 < Loan Size <= 600,000				
600,000 < Loan Size <= 700,000				
700,000 < Loan Size <= 800,000				
800,000 < Loan Size <= 900,000				
900,000 < Loan Size <= 1,000,000				
1,000,000 < Loan Size <= 1,100,000				
1,100,000 < Loan Size <= 1,200,000				
1,200,000 < Loan Size <= 1,300,000				
1,300,000 < Loan Size <= 1,400,000				
1,400,000 < Loan Size <= 1,500,000				
Loan Size > 1,500,000				



<b>Origination Year</b>				
<b>Range of Period</b>	<b>Number of Loan Parts</b>	<b>Proportion of Total (%)</b>	<b>Aggregate Outstanding Principal Amount (euro)</b>	<b>Proportion of Pool (%)</b>
< 1995				
1995				
1996				
1997				
1998				
1999				
2000				
2001				
2002				
2003				
2004				
2005				
2006				
2007				

<b>Loan Maturity Date</b>				
<b>Range of Period</b>	<b>Number of Loan Parts</b>	<b>Proportion of Total (%)</b>	<b>Aggregate Outstanding Principal Amount (euro)</b>	<b>Proportion of Pool (%)</b>
Maturity <= 2007				
2007 > Maturity <= 2012				
2012 > Maturity <= 2017				
2017 > Maturity <= 2022				
2022 > Maturity <= 2027				
2027 > Maturity <= 2032				
2032 > Maturity <= 2037				
2037 > Maturity <= 2042				
2042 > Maturity <= 2047				
2047 > Maturity <= 2052				
2052 > Maturity <= 2057				
2057 > Maturity <= 2062				
2062 > Maturity <= 2067				

<b>Mortgage Type</b>				
<b>Type of Mortgage</b>	Number of Loan Parts	Proportion of Total (%)	Aggregate Outstanding Principal Amount (euro)	Proportion of Pool (%)
Interest Only				
Investment				
Savings				
Life				
Linear				
Annuity				

<b>Interest Rates</b>				
<b>Range of Interest Rates</b>	Number of Loan Parts	Proportion of Total (%)	Aggregate Outstanding Principal Amount (euro)	Proportion of Pool (%)
Interest <= 3.00				
3.00 < Interest <= 3.50				
3.50 < Interest <= 4.00				
4.00 < Interest <= 4.50				
4.50 < Interest <= 5.00				
5.00 < Interest <= 5.50				
5.50 < Interest <= 6.00				
6.00 < Interest <= 6.50				
6.50 < Interest <= 7.00				
Interest > 7.00				

<b>Interest Reset Dates</b>				
<b>Range of Period</b>	Number of Loan Parts	Proportion of Total (%)	Aggregate Outstanding Principal Amount (euro)	Proportion of Pool (%)
Reset <= 1 y				
1 y < Reset <= 2 y				
2 y < Reset <= 3 y				
3 y < Reset <= 4 y				
4 y < Reset <= 5 y				
5 y < Reset <= 6 y				
6 y < Reset <= 7 y				
7 y < Reset <= 8 y				
8 y < Reset <= 9 y				
9 y < Reset <= 10 y				
10 y < Reset <= 15 y				
15 y < Reset <= 20 y				
Reset > 20 y				

<b>Geographical Distribution</b>				
<b>Province</b>	<b>Number of Loan Parts</b>	<b>Proportion of Total (%)</b>	<b>Aggregate Outstanding Principal Amount (euro)</b>	<b>Proportion of Pool (%)</b>
Noord-Brabant				
Noord-Holland				
Utrecht				
Gelderland				
Zuid-Holland				
Overijssel				
Limburg				
Friesland				
Drenthe				
Flevoland				
Groningen				
Zeeland				
Unknown*				

\* Some mortgage loans have been provided with respect to property under construction to which no postal code has been assigned. Therefore the province cannot be determined.

<b>Key Characteristics of the [Provisional Pool]/[Current Pool] [Consolidated Pool] as of [...]*</b>
Outstanding Principal Balance (euro)
Savings
Average Borrower Balance (euro)
Maximum Borrower Balance (euro)
Number of Borrowers
Number of Loan Parts
Weighted Average Seasoning (years)
Weighted Average Maturity of Loans (years)
Weighted Average Coupon (%)
Sum of Construction Amounts
Weighted Average LTFV
Weighted Average LTFV (Indexed)
Weighted Average LTMV
Weighted Average LTMV (Indexed)

\* exclusive of Savings

**End of Final Terms**

## TERMS AND CONDITIONS OF THE NOTES

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

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

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

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

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

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

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

A glossary of definitions appears in Condition 17 of these Conditions.

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

### 1. Form, Denomination and Title

The Notes will be in bearer form, serially numbered with Coupons attached on issue and in such denominations as set forth in the applicable Final Terms save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank or regulatory authority (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which would otherwise require the publication of a prospectus under the Prospectus Directive will be € 50,000 (or if the Notes are denominated in a currency other than euro, the

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

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

- (a) The Notes of each Class are direct and unconditional obligations of the Issuer and rank *pari passu* and rateably without any preference or priority among Notes of the same Class.
- (b) In accordance with the provisions of Conditions 4, 6 and 9 and the Issuer Trust Deed (i) payments of principal and interest on the Class B Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes and (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 and (iii) payments of principal and interest on the Class D Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes, the Class B Notes and the Class C Notes and (iv) payments of principal and interest on the Class E Notes are subordinated to, *inter alia*, payments of principal and interest on the Class A Notes, Class B Notes, Class C Notes and Class D Notes.
- (c) The security for the obligations of the Issuer towards the Noteholders (the '**Security**') will be created pursuant to, and on the terms set out in the Pledge Agreements, which will create the following security rights:
- (i) by a first ranking right of pledge to the Security Trustee by each Asset Purchaser over (a) the Mortgage Receivables and (b) the Beneficiary Rights relating thereto;
  - (ii) by a first ranking right of pledge to the Security Trustee by each Asset Purchaser over the relevant Asset Purchaser's rights under or in connection with (i) the relevant Asset Purchaser Mortgage Receivables Purchase Agreement, (ii) the relevant Asset Purchaser Servicing Agreement, (iii) the relevant Asset Purchaser GIC, (iv) the relevant Asset Purchaser Accounts, (v) the relevant Asset Purchaser Cashflow Swap Agreement and (vi) the relevant Asset Purchaser Sub-participation Agreement; and
  - (iii) by a first ranking right of pledge to the Security Trustee by the Issuer over the Issuer's rights under or in connection with (i) the Issuer Administration Agreement, (ii) each IC Loan Agreement, including but not limited to the IC Loans, (iii) the Issuer GIC, (iv) the Issuer Accounts, and (v) any Issuer Currency Swap Agreement.
- (d) The Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes will be secured (directly and/or indirectly) by the Security. The Class A Notes will rank in priority to the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes. The Class B Notes will rank in priority to the Class C Notes, the Class D Notes and the Class E Notes. The Class C Notes will rank in priority to the Class D Notes and the Class E Notes. The Class D Notes will rank in priority to the Class E Notes. The Issuer Trust Deed contains provisions requiring the Security Trustee to have regard to the interests of the Class A Noteholders, the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders, as regards all powers, trust, authorities, duties and discretions of the Security Trustee (except where expressly provided otherwise) but requiring the Security Trustee in any such case to have regard only to the interests of the Class A Noteholders, if, in the Security Trustee's opinion, there is a conflict between the interests of the Class A Noteholders on one hand and the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and 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 and the Class E Noteholders on the other hand and, if no Class A Notes and 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, the Class D Noteholders and the Class E Noteholders on the other hand and, if no Class A Notes, Class B Notes and Class C Notes are outstanding, to have regard only to the interest 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 Programme Secured Parties, provided that in case of a conflict of interest between the Programme Secured Parties the Priority of Payments upon Enforcement determines which interest of which Programme Secured Party prevails.

### 3. Covenants of the Issuer

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

- (a) carry out any business other than as described in the Base Prospectus dated 25 September 2007 relating to the issue of Notes under the Programme and as contemplated in the Relevant Documents;
- (b) incur any indebtedness in respect of borrowed money whatsoever or give any guarantee or indemnity in respect of any indebtedness, except as contemplated by the Relevant Documents;
- (c) create or promise to create any mortgage, charge, pledge, lien or other security interest whatsoever over any of its assets, or use, invest, sell, transfer or otherwise dispose of any part of its assets, except as contemplated in the Relevant 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 Relevant Documents, or the priority of the security created thereby or pursuant thereto to be amended, terminated, postponed or discharged, or permit any person whose obligations form part of such security rights to be released from such obligations or consent to any waiver except as contemplated in the Relevant Documents;
- (f) have any employees or premises or have any subsidiary or subsidiary undertaking;
- (g) have an interest in any bank account other than the Issuer Accounts or accounts to which collateral under an Issuer Currency Swap Agreement is transferred, unless all rights in relation to such account will have been pledged to the Security Trustee as provided in Condition 2(c)(iii); or
- (h) invest in Eligible Investments only, except for other investments as contemplated by the Relevant Documents.

### 4. Interest

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

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

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

respect of any Fixed Rate Note for any period, such interest shall be calculated on the basis of the actual number of days in the Fixed Rate Interest Period concerned divided by a year of 365 days or, in the case of a Fixed Rate Interest Period falling in a leap year, 366 days.

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

Up to (but excluding) the Step-up Date interest on the Notes shall be payable by reference to successive yearly Fixed Rate Interest Period and will be payable per annum in arrear in euros or any other currency indicated in the Applicable Final Terms on the Note Payment Date specified in the Final Terms. The first fixed rate interest period will commence on (and include) the interest commencement date set out in the Applicable Final Terms (the '**Interest Commencement Date**') and end on (but exclude) the same date in the next succeeding year and each following interest period will start (and include) on the same date in the relevant year and end on (but exclude) the same date in the next succeeding year (each such Period an '**Fixed Rate Interest Period**').

(c) *Interest up to the Step-up Date*

Up to (but excluding) the relevant Step-up Date the rate of interest applicable to the Fixed Rate Notes will be as stated in the Applicable Final Terms.

(d) *Interest following the Step-up Date*

If on the relevant Step-up Date the Fixed Rate Notes of any Series and Class or Sub-class thereof have not been redeemed in full, a floating rate of interest will be applicable to such Notes from and including the relevant Step-up Date, equal to the sum of Euribor for three months deposits, payable by reference to Floating Rate Interest Periods on each succeeding relevant Note Payment Date, plus a margin as specified in the Applicable Final Terms as calculated in accordance with Condition 4 II.

If the Fixed Rate Notes of a Series and Class or Sub-class are not redeemed on the relevant Step-up Date, and the Issuer notifies all Noteholders of such Series and Class or Sub-class:

- (i) within one month after such Step-up Date that it will redeem the Notes on the immediately succeeding Note Payment Date, the interest rate applicable in respect of such Notes will be equal to the sum of two times the interest rate applicable prior to the Step-up Date for a Floating Rate Interest Period (which, for the avoidance of doubt means in respect of Fixed Rate Notes one quarter of annual interest applicable to such Fixed Rate Notes prior to the Step-up Date for a Fixed Rate Interest Period) and the interest rate applicable after the Step-up Date for a Floating Rate Interest Period, divided by three; and
- (ii) after one month but within the second month after such Step-up Date that it will redeem the Notes on the immediately succeeding Note Payment Date, the interest rate applicable in respect of such Notes will be equal to the sum of the interest rate applicable prior to the Step-up Date for a Floating Rate Interest Period (which, for the avoidance of doubt means in respect of Fixed Rate Notes one quarter of annual interest applicable to such Fixed Rate Notes prior to the Step-up Date for a Fixed Rate Interest Period) and two times the interest rate applicable after the Step-up Date for a Floating Rate Interest Period, divided by three;

unless the Notes are not repaid on such Note Payment Date, in which case the Margin after the Step-up Date applies.

(II) *Interest on Floating Rate Notes*

(a) *Period of Accrual*

The Floating Rate Notes shall bear interest on their Principal Amount Outstanding (as defined in Condition 6(c)) from and including the relevant Issue Date. Each Floating Rate Note (or in the case of the redemption of part only of a Floating Rate Note that part only of such Note) shall cease to bear interest from its due date for redemption unless, upon due presentation payment of the relevant amount

of principal or any part thereof is improperly withheld or refused. In such event, interest will continue to accrue thereon (before and after any judgment) at the rate applicable to such Floating Rate Note up to but excluding the date on which, on presentation of such Floating Rate Note, payment in full of the relevant amount of principal is made or (if earlier) the seventh day after notice is duly given by the Paying Agent to the holder thereof (in accordance with Condition 13) that upon presentation thereof, such payments will be made, provided that upon such presentation payment is in fact made. Whenever it is necessary to compute an amount of interest in respect of any Floating Rate Note for any period, such interest shall be calculated on the basis of the actual number of days in the Floating Rate Interest Period (as defined below) concerned divided by a year of 360 days.

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

Interest on the Notes shall be payable by reference to Floating Rate Interest Periods. Each successive floating rate interest period will commence on (and include) a relevant Note Payment Date and end on (but exclude) the next succeeding relevant Note Payment Date, except for the first Floating Rate Interest Period, which will commence on (and include) the relevant Issue Date and end on (but exclude) the first Note Payment Date as set out in the Applicable Final Terms (each such floating rate interest period a '**Floating Rate Interest Period**').

Interest on each of the Floating Rate Notes will be payable quarterly in arrear in euros or any other currency indicated in the Applicable Final Terms, in respect of the Principal Amount Outstanding of such Floating Rate Notes on the 28th day of September, December, March and June or if otherwise indicated in the Applicable Final Terms the months indicated in the Applicable Final Terms or, if such day is not a Business Day, the next succeeding Business Day, unless such Business Day falls in the next succeeding calendar month in which event interest on the Notes will be payable on the Business Day immediately preceding such day, in each year (each such day being a '**Note Payment Date**').

(c) *Interest up to the Step-up Date*

Unless otherwise specified in the Final Terms, up to (but excluding) the relevant Step-up Date, interest on the Floating Rate Notes denominated in euro (€) for each Floating Rate Interest Period will accrue at a rate equal to the sum of the Euro Interbank Offered Rate ('**Euribor**') for three months deposits (or, in respect of the first Floating Rate Interest Period, the rate which represents the linear interpolation of Euribor for the relevant months deposits in euro, rounded, if necessary, to the 5th decimal place with 0.00005, being rounded upwards) plus a margin as specified in the Final Terms.

Unless otherwise specified in the Final Terms, up to (but excluding) the relevant Step-up Date, interest on the Floating Rate Notes denominated in Dollar (\$) for each Floating Rate Interest Period will accrue at a rate equal to the sum of the London Interbank Offered Rate for three months deposits in US Dollars ('**Dollar Libor**') (or, in respect of the first Floating Rate Interest Period, the rate which represents the linear interpolation of Dollar Libor for the relevant months deposits in euro, rounded, if necessary, to the 5th decimal place with 0.00005, being rounded upwards) plus a margin as specified in the Final Terms.

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

(d) *Interest following the Step-up Date*

Unless otherwise specified in the Applicable Final Terms, if on the Step-up Date of any Series and Class, or Sub-class, as the case may be, of Floating Rate Notes denominated in euro (€) have not been redeemed in full, a floating rate of interest will be applicable to each such Notes denominated in euro (€) equal to the sum of Euribor for three months deposits, payable by reference to Floating Rate Interest Periods on each succeeding relevant Note Payment Date, plus a margin as specified in the Applicable Final Terms.

Unless otherwise specified in the Applicable Final Terms, if on the relevant Step-up Date of any Series and Class, or Sub-class, as the case may be, of Floating Rate Notes denominated in Dollar (\$) have not



been redeemed in full, a floating rate of interest will be applicable to such Notes denominated in Dollar (\$) equal to the sum of Dollar Libor for three months deposits, payable by reference to Floating Rate Interest Periods on each succeeding relevant Note Payment Date, plus a margin as specified in the Applicable Final Terms.

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

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

- (i) within one month after such Step-up Date that it will redeem the Notes on the immediately succeeding Note Payment Date, the Margin in respect of such Notes will be equal to the sum of two times the Margin prior to the Step-up Date and the Margin after the Step-up Date, divided by three; and
- (i) after one month but within the second month after such Step-up Date that it will redeem the Notes on the immediately succeeding Note Payment Date, the interest rate applicable in respect of such Notes will be equal to the sum of the Margin prior to the Step-up Date and two times the Margin after the Step-up Date, divided by three;

unless the Notes are not repaid on such Note Payment Date, in which case the Margin after the Step-up Date applies.

(e) *Euribor*

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

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

approximately 11.00 a.m. (Central European time) on the relevant Euribor Interest Determination Date for three months deposits to leading euro-zone banks in an amount that is representative for a single transaction in that market at that time,

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

(f) *Dollar Libor*

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

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

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

(g) *Determination of Floating Rate of Interest and Calculation of the Floating Interest Amount*

The Reference Agent will, as soon as practicable after 11.00 a.m. (Central European Time in respect of euros (€) and London time or New York Time, as the case may be, in respect of dollars (\$)) on each relevant Interest Determination Date, determine the floating rates of interest referred to in paragraphs

(c) and (d) above for each Series and Class, or Sub-class, as the case may be, of Notes (the '**Floating Rate of Interest**') and calculate the amount of interest payable on such Notes for the following Floating Rate Interest Period (the '**Floating Interest Amount**') by applying the relevant Floating Rate of Interest to the Principal Amount Outstanding of the relevant Series and Class, or Sub-class, as the case may be, of Notes. The determination of the relevant Floating Rate of Interest and the Floating Interest Amount by the Reference Agent shall (in the absence of manifest error) be final and binding on all parties.

(h) *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 relevant Note Payment Date applicable to each relevant Series and Class, or Sub-class, as the case may be, of Notes to be notified to the Issuer, the Security Trustee, the Paying Agents, the Administrator, Euronext Amsterdam N.V. and to the holders of such Class of Notes by an advertisement in the English language in the Euronext Daily Official List ("*Officiële Prijscourant*") of Euronext Amsterdam N.V. The Floating Interest Amount and relevant Note Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Floating Rate Interest Period.

(i) *Determination or Calculation by Security Trustee*

If the Reference Agent at any time for any reason does not determine the relevant Floating Rate of Interest or fails to calculate the relevant Floating Interest Amount in accordance with paragraph (e) or (f) above, as the case may be, 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 (g) 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 (g) above, and each such determination or calculation shall be final and binding on all parties.

(j) *Reference Banks and Reference Agent*

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

## 5. Payment

- (a) Payment of principal and interest in respect of the Notes will be made upon presentation of the Note and against surrender of the relevant Coupon appertaining thereto, at any specified office of the Paying Agents:
- (a) in respect of euros, in cash or by transfer to an euro account maintained by the payee with a bank in the Netherlands, as the holder may specify or in euro to the relevant Paying Agent for the credit of the respective accounts of the Noteholders through Euroclear Netherlands, if applicable;
  - (b) in respect of U.S. Dollars by transfer to a U.S. Dollar account maintained by the payee with a bank outside of the United States (which expression, as used in this Condition 5, means the United States, including the State and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction), or by cheque drawn on a United States bank, provided that in no event payment will be made by a cheque mailed to an address in the United States;
  - (c) in respect of currencies other than euro and U.S. Dollars, by credit or transfer to an account in the

relevant currency (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or, at the option of the payee, by a cheque in such currency drawn on, a bank in the principal financial centre of the country of such currency (which, if the currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively).

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

- (b) At the applicable Final Maturity Date, or such earlier date the Notes of a Series and Class, or Sub-class, as the case may be, become due and payable, such Notes should be presented for payment together with all unmatured Coupons appertaining thereto, failing which the full amount of any such missing unmatured Coupons (or, in the case of payment not being made in full, that proportion of the full amount of such missing unmatured Coupons which the sum of principal so paid bears to the total amount of principal due) will be deducted from the sum due for payment. Each amount so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon at any time before the expiry of five years following the due date for payment of such principal (whether or not such Coupons would have become unenforceable pursuant to Condition 8).
- (c) If the relevant Note 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 such day, or to any interest or other payment in respect of such delay, provided that in the case of payment by transfer to an euro account or any other currency account as referred to above, the Paying Agents shall not be obliged to credit such account until the Local Business Day immediately following the day on which banks are open for business in the Netherlands and Luxembourg. The names of the Paying Agents and of their offices are set out below.
- (d) The Issuer reserves the right at any time to vary or terminate the appointment of the Paying Agents and to appoint additional or other paying agents provided that no paying agent located in the United States will be appointed and that the Issuer will at all times maintain a paying agent having a specified office in the European Union which, for as long as the Notes are listed on Euronext Amsterdam by NYSE Euronext, shall be located in the Netherlands. Notice of any termination or appointment of any of the Paying Agents and of any changes in the specified offices of the Paying Agents will be given to the Noteholders in accordance with Condition 13.
- (e) Notwithstanding the foregoing provisions of this Condition, US Dollar payments of principal and/or interest in respect of Notes denominated in Dollar will be made at the specified office of a paying agent in the United States if:
  - (i) the Issuer has appointed paying agents with specified offices outside the United States with the reasonable expectation that such paying agents would be able to make payment in US Dollars at such specified offices outside the United States of the full amount of principal and interest on the notes in the manner provided above when due;
  - (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in US Dollars; and
  - (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

## 6. Redemption and purchase

- (a) *Final redemption*  
Unless previously redeemed as provided in this Condition 6, the Issuer will, in respect of the Class B Notes, Class C Notes, Class D Notes and Class E Notes, subject to (i) Condition 9(b) and (ii) fulfilment of the Repayment Test, redeem a Series and Class, or Sub-class, as the case may be, of Notes at their Principal

Amount Outstanding on the relevant Final Maturity Date specified in respect of such Notes in the Applicable Final Terms,

(b) *Mandatory redemption*

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

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

The principal amount so redeemable in respect of:

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

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

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

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

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

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

- (i) On each Note Calculation Date, the Issuer shall determine (or cause the Administrator to determine) (a) the Issuer Principal Redemption Amount and (b) the Principal Amount Outstanding of the relevant Note on the first day following the relevant Note Payment Date. Each determination by or on behalf of the Issuer of any Principal Redemption Amount or the Principal Amount Outstanding of a Note shall in each case (in the absence of manifest error) be final and binding on all persons.
- (ii) The Issuer will cause each determination of a Principal Redemption Amount and Principal Amount Outstanding of Notes to be notified forthwith to the Security Trustee, the Paying Agents, the Reference Agent, Euroclear Netherlands, if applicable, Euroclear, if applicable, Clearstream, Luxembourg, if applicable, Euronext Amsterdam N.V. and to the holders of Notes as long as the Notes are listed on Euronext Amsterdam by NYSE Euronext by an advertisement in the English language in the Euronext Daily Official List ("*Officiële Prijscourant*") of Euronext Amsterdam N.V. If no Principal Redemption Amount is due to be made on the Notes on any applicable Note Payment Date, a notice to this effect will be given to the Noteholders in accordance with Condition 13.

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

(d) *Optional Redemption*

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

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

(e) *Notes Clean-up Call Option*

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

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

(f) *Programme Clean-up Call Option*

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

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

(g) *Redemption of Class E Notes*

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

(h) *Redemption for tax reasons*

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

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

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

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

(i) *Redemption for regulatory reasons*

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

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

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

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

(j) *Purchases*

The Issuer may purchase Notes that are offered to it on any date, prior to (i) the occurrence of a Trigger Event



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

**7. Taxation**

All payments in respect of the Notes will be made without withholding of, or deduction for, or on account of any present or future taxes, duties or charges of whatsoever nature unless the Issuer or any of the Paying Agents (as applicable) is required by applicable law to make any payment in respect of the Notes subject to any withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to the European Union Directive on the taxation of savings that was adopted on 3 June 2003 or any other law implementing or complying with, or introduced in order to conform to such Directive. In that event, the Issuer or any such Paying Agents (as the case may be) shall make such payment after the required withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Paying Agents nor the Issuer will be obliged to make any additional payments to the Noteholders in respect of such withholding or deduction.

**8. Prescription**

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

**9. Subordination and limited recourse**

(a) *Interest*

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

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

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

purpose of these Conditions as if it were interest due, subject to this Condition, on each Class C Note on the next succeeding Note Payment Date.

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

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

(b) *Principal*

Upon and after the occurrence of a Trigger Event or the service of an Enforcement Notice until the date on which the Principal Amount Outstanding of the Class A Notes is reduced to zero, the Class B Noteholders will not be entitled to any repayment of principal in respect of the Class B Notes. If, on any Note 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, including mandatory redemption in accordance with and subject to Condition 6(b), of each Class B Note on such Note Payment Date shall not exceed its Principal Amount Outstanding less the Class B Principal Shortfall on such Note Payment Date. The '**Class B Principal Shortfall**' shall mean an amount equal to the quotient of the balance on the Class B Principal Deficiency Ledger divided by the Principal Amount Outstanding of Class B Notes on such Note Payment Date multiplied by the Principal Amount Outstanding of such Class B Note. The Class B Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Class B Notes after such redemption.

Upon and after the occurrence of a Trigger Event or the service of an Enforcement Notice until the date on which the Principal Amount Outstanding of the Class A Notes and the Class B Notes is reduced to zero, the Class C Noteholders will not be entitled to any repayment of principal in respect of the Class C Notes. If, on any Note 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, including mandatory redemption in accordance with and subject to Condition 6(b), of each Class C Note on such Note Payment Date shall not exceed its Principal Amount Outstanding less the Class C Principal Shortfall. The '**Class C Principal Shortfall**' shall mean an amount equal to the quotient of the balance on the Class C Principal Deficiency Ledger, divided by the Principal Amount Outstanding of Class C Notes on such Note Payment Date multiplied by the Principal Amount Outstanding of such Class C Note. The Class C Noteholders shall have no

further claim against the Issuer for the Principal Amount Outstanding on the Class C Notes after such redemption.

Upon and after the occurrence of a Trigger Event or the service of an Enforcement Notice until the date on which the Principal Amount Outstanding of the Class A Notes, the Class B Notes and the Class C Notes is reduced to zero, the Class D Noteholders will not be entitled to any repayment of principal in respect of the Class D Notes. If, on any Note 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, including mandatory redemption in accordance with and subject to Condition 6(b), of each Class D Note on such Note Payment Date shall not exceed its Principal Amount Outstanding less the Class D Principal Shortfall. The '**Class D Principal Shortfall**' shall mean an amount equal to the quotient of the balance on the Class D Principal Deficiency Ledger, divided by the Principal Amount Outstanding of Class D Notes outstanding on such Note Payment Date multiplied by the Principal Amount Outstanding of such Class D Note. The Class D Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Class D Notes after such redemption.

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

(c) *General*

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

**10. Events of Default**

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

- (a) default is made for a period of fifteen (15) days or more in the payment on the due date of any amount due in respect of the Notes; or
- (b) the Issuer fails to perform any of its other obligations binding on it under the Notes, the Issuer Trust Deed, the Paying Agency Agreement or the Pledge Agreements and, except where such failure, in the reasonable opinion of the Security Trustee, is incapable of remedy, such default continues for a period of thirty (30) days after written notice by the Security Trustee to the Issuer requiring the same to be remedied; or

- (c) if a conservatory attachment ("*conservatoir beslag*") or an executory attachment ("*executoriaal beslag*") on any major part of the Issuer's assets is made and not discharged or released within a period of thirty (30) days; or
- (d) if any order shall be made by any competent court or other authority or a resolution passed for the dissolution or winding-up of the Issuer or for the appointment of a liquidator or receiver of the Issuer or of all or substantially all of its assets; or
- (e) the Issuer makes an assignment for the benefit of, or enters into any general assignment ("*akkoord*") with its creditors; or
- (f) the Issuer files a petition for a suspension of payments ("*surseance van betaling*") or for bankruptcy ("*faillissement*") or is declared bankrupt;

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

#### **11. Enforcement**

- (a) At any time after the Notes of any Class become due and payable, the Security Trustee may, at its discretion and without further notice, take such steps and/or institute such proceedings as it may think fit to enforce the terms of the Issuer Trust Deed, the Pledge Agreements and the Notes, but it need not take any such proceedings unless (i) it shall have been directed by an Extraordinary Resolution of the Noteholders of the highest ranking Class of Notes of all Series outstanding and (ii) it shall have been indemnified to its satisfaction.
- (b) No Noteholder may proceed directly against the Issuer unless the Security Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.
- (c) The Noteholders and the Security Trustee may not institute against, or join any person in instituting against, the Issuer any bankruptcy, winding-up, reorganisation, arrangement, insolvency or liquidation proceeding. The Noteholders accept and agree that the only remedy of the Security Trustee against the Issuer after any of the Notes have become due and payable pursuant to Condition 10 above is to enforce the Security.

#### **12. Indemnification of the Security Trustee**

The Issuer Trust Deed contains provisions for the indemnification of the Security Trustee and for its relief from responsibility.

#### **13. Notices**

With the exception of the publications of the Reference Agent in Condition 4 and of the Issuer in Condition 6, all notices to the Noteholders will only be valid if published in at least one daily newspaper of wide circulation in the Netherlands, or, if all such newspapers shall cease to be published or timely publication therein shall not be practicable, in such newspaper as the Security Trustee shall approve having a general circulation in Europe and, as long as the Notes are listed on Euronext Amsterdam by NYSE Euronext, in the English language in the Euronext Official Daily List ("*Officiële Prijscourant*") of Euronext Amsterdam N.V. Any such notice shall be deemed to have been given on the first date of such publication.

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

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

(a) Meetings of Noteholders

A meeting of Noteholders may be convened by the Issuer, the Security Trustee or by Noteholders of any Series and Class holding not less than 10 per cent. in Principal Amount Outstanding of the Notes of such Series and Class.

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

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

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

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

(b) Basic Terms Change

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

(c) Extraordinary Resolution

*Quorum and majority*

The quorum for any meeting convened to consider an Extraordinary Resolution for the Notes of any Series and Class or of any one or more Series of the same Class or of one or more Sub-classes, will be two-thirds of the Principal Amount Outstanding of the Notes of such Series and Class or of such one or more Series of the same Class, or of such one or more Sub-classes and at such a meeting an Extraordinary Resolution is adopted with not less than a two-third majority of the validly cast votes, except that the quorum required for an Extraordinary Resolution including the sanctioning of a Basic Terms Change shall be at least 75 per cent. of the amount of the Principal Amount Outstanding of the Notes of such Series and Class or of such one or more Series of the same Class, or of such one or more Sub-classes and the majority required shall be at least 75 per cent. of the validly cast votes at that Extraordinary Resolution. If at such meeting the aforesaid quorum is not represented, a second meeting of Noteholders will be held within one month, with due observance of the same formalities for convening the meeting which governed the convening of the first meeting; at such second meeting an Extraordinary Resolution is adopted with not less than a two-thirds majority of the validly cast votes, except that for an Extraordinary Resolution including a sanctioning of a Basic Terms Change the majority required shall be 75 per cent. of the validly cast votes, regardless of the Principal Amount Outstanding of the Notes of such Series and Class or of such one or more Series of the same Class, or of such one or more Sub-classes then represented.

Any Extraordinary Resolution duly passed shall be binding on all Noteholders of the relevant Class and relevant one or more Series, or of such one or more Sub-classes (whether or not they were present at the meeting at which such resolution was passed).

A resolution signed by or on behalf of all the Noteholders of the relevant one or more Series and Class or relevant one or more Sub-classes, who for the time being are entitled to receive notice of a meeting under the Issuer Trust Deed shall for all purposes be as valid and effective as an Extraordinary Resolution passed by a meeting of such one or more Series and Class of Noteholders or such one or more Sub-classes of Noteholders.

*Limitations*

No Extraordinary Resolution to sanction a change which would have the effect of accelerating or increasing the maturity of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes or the Class E Notes of any one or more Series, as the case may be, or any date for payment of interest thereon, increasing the amount of principal or 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 of any one or more Series, as the case may be, shall take effect unless it shall have been sanctioned by an Extraordinary Resolution of the Noteholders of the other Classes of each Series of the Notes then outstanding or such change is in the opinion of the Security Trustee not materially prejudicial to the interests of other Noteholders of each Series.

An Extraordinary Resolution of the Class B Noteholders of any Series or any Sub-class thereof and/or the Class C Noteholders of any Series or any Sub-class thereof and/or the Class D Noteholders of any Series or any Sub-class thereof and/or the Class E Noteholders of any Series or any Sub-class thereof shall only be effective when the Security Trustee is of the opinion that it will not be materially prejudicial to the interests of the Class A Noteholders of each Series and/or, as the case may be, the Class B Noteholders of each Series and/or, as the case may be, the Class C Noteholders of each Series and/or, as the case may be, the Class D Noteholders of each Series or it is sanctioned by an Extraordinary Resolution of the Class A Noteholders of each Series, the Class B Noteholders of each Series, or the Class C Noteholders of each Series, or the Class D Noteholders of each Series, as the case may be. The Issuer Trust Deed imposes no such limitations on the powers of the Class A Noteholders of any Series, or Sub-class thereof (subject to this Condition 14), the exercise of which will be binding on the Class B Noteholders, the Class C Noteholders, the Class D Noteholders and the Class E Noteholders (in any case of that Series or of any other Series), irrespective of the effect on their interests.

(d) Programme Resolution

Notwithstanding the preceding paragraphs of this Condition 14 (Meetings of Noteholders; Modification; Consents; Waiver), any Extraordinary Resolution of the Noteholders of any Class of Notes to direct the Security Trustee (i) to take any enforcement action pursuant to Condition 10 and Condition 11 or (ii) to remove or replace any or all of the managing directors of the Security Trustee (each a '**Programme Resolution**'), shall only be capable of being passed at a single meeting of the Noteholders of all Series of such Class of Notes. The quorum at any such meeting for passing a Programme Resolution shall be one or more persons holding or representing more than two-thirds of the aggregate Principal Amount Outstanding of the Notes of such Class or, at any adjourned and reconvened meeting, one or more persons being or representing Noteholders of such Class of Notes, whatever the aggregate principal Amount Outstanding of such Class of Notes so held or represented by them, provided that if such Programme Resolution relates to the removal and replacement of any or all of the managing directors of the Security Trustee, at least thirty (30) per cent. of the Notes of the relevant Class of all Series should be represented on any second meeting. Any such meeting to consider a Programme Resolution may be convened by the Issuer, the Security Trustee or by Noteholders of such Class of Notes. A Programme Resolution passed at any meeting of the Noteholders of all Series of such Class of Notes shall be binding on all Noteholders of all Series of such Class of Notes, whether or not they are present at the meeting.

(e) Modifications by the Security Trustee

The Security Trustee may agree, without the consent of the Noteholders, to (i) any modification of any of the provisions of the Relevant Documents which is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except if prohibited in the Relevant Documents), and any waiver or authorisation of an Event of Default and/or any breach or proposed breach, of any of the provisions of the Conditions of any Series and Class or any Sub-class of Notes and/or Relevant Documents which is in the opinion of the Security Trustee not materially prejudicial to the interests of the Noteholders of such Series and Class or such Sub-class of Notes or of any Series and Class of Notes, provided that (a) the Security Trustee has notified the Rating Agencies and (b) the Rating Agencies have confirmed that the ratings assigned to the Notes of such Series and Class or such Sub-class or of any Series and Class will not be changed below the Minimum Ratings of the Notes or, if the ratings of the Notes are below the Minimum Ratings of the Notes, will not be adversely affected by any such modification, authorisation or waiver. Any such modification, authorisation or waiver shall be binding on the Noteholders and, if the Security Trustee so requires, such modification shall be notified to the Noteholders of such Series and Class or such Sub-class of Notes or of any Series and Class of Notes in accordance with Condition 13 as soon as practicable thereafter.

(f) Exercise of Security Trustee's functions

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

**15. Replacements of Notes and Coupons**

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

**16. Governing Law**

The Notes and Coupons are governed by, and will be construed in accordance with, 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 District Court in Amsterdam, the Netherlands.

This submission is made for the exclusive benefit of the holders of the Notes and the Security Trustee and shall not affect their right to take such action or bring such proceedings in any other courts of competent jurisdiction.

## 17. Definitions

Unless otherwise defined in these Conditions or unless the context otherwise requires, in these Conditions the following words shall have the following meanings. Any other capitalized terms used in these Conditions shall have the meanings ascribed to them in the Master Definitions Schedule to the Programme Agreement

**"Asset Purchaser Administrator"** means Fortis Intertrust (Netherlands) B.V. and/or, as the case may be, any Asset Purchaser Administrator who accedes to the Programme as Asset Purchaser Administrator;

**"Asset Purchaser Assets Pledge Agreement"** means an assets pledge agreement entered into by the relevant Asset Purchaser, the relevant Asset Purchaser Secured Parties and the Security Trustee at the Programme Closing Date or the relevant Asset Purchaser Accession Date, as the case may be, as the same may be amended, restated, supplemented or otherwise modified from time to time;

**"Asset Purchaser Cashflow Swap Agreement"** means a swap agreement entered into by the relevant Asset Purchaser, the relevant Asset Purchaser Swap Provider and the Security Trustee at the Programme Closing Date or the relevant Asset Purchaser Accession Date, as the case may be, as the same may be amended, restated, supplemented or otherwise modified from time to time;

**"Asset Purchaser Cashflow Swap Counterparty"** means Fortis Hypotheek Bank N.V. with respect to Dolphin Asset Purchasing FHB B.V. and Fortis Bank (Nederland) N.V. with respect to Dolphin Asset Purchasing FBN B.V. and/or, as the case may be, any Asset Purchaser Cashflow Swap Counterparty who accedes to the Programme as Asset Purchaser Cashflow Swap Counterparty;

**"Asset Purchaser GIC"** means a guaranteed investment contract entered into by the relevant Asset Purchaser, the relevant Asset Purchaser GIC Provider and the Security Trustee at the Programme Closing Date or the relevant Asset Purchaser Accession Date, as the case may be, as the same may be amended, restated, supplemented or otherwise modified from time to time;

**"Asset Purchaser GIC Provider"** means Fortis Bank (Nederland) N.V. and/or as the case may be, any Asset Purchaser GIC Provider who accedes to the Programme as Asset Purchaser GIC Provider;

**"Asset Purchaser Mortgage Receivables Purchase Agreement"** means an Asset Purchaser Mortgage Receivables Purchase Agreement entered into by the relevant Seller, the relevant Asset Purchaser and the Security Trustee at the Programme Closing Date or the relevant Asset Purchaser Accession Date, as the case may be, as the same may be amended, restated, supplemented or otherwise modified from time to time;

**"Asset Purchaser Pass-through Payable Amount"** means in respect of each Asset Purchaser the sum of (a) on any Monthly Payment Date the sum of items (i), (ii), (iii), (iv) (v), (vi), (vii) and (ix) of the relevant Asset Purchaser Principal Available Amount in relation to the immediately preceding Mortgage Collection Period less any amounts received under item (v) to the extent such amounts result from the sale of Mortgage Receivables pursuant to the best efforts obligation of the Asset Purchaser to repay principal under the IC Loans in connection with the redemption of Notes upon exercise of a call-option as set out in the relevant Asset Purchaser Trust Agreement, multiplied with the Pass-through Percentage on such date and (b) on any Monthly Payment Date which is also a Note Payment Date, if on such Note Payment Date, after application of the Asset Purchaser Principal Priority of Payments, the amount standing to the credit of the Asset Purchaser Collection Account is higher than 5 per cent. of the Principal Amount Outstanding of the Pass-Through Notes on such date, an amount equal to the balance of the Asset Purchaser Collection Account multiplied with the following product: (i) the sum of the Principal Payment Rate and the Loss Rate on this Note Payment Date, and (ii) the Pass-Through Percentage;



**"Asset Purchaser Pledge Agreements"** means all Asset Purchaser Receivables Pledge Agreements and all Asset Purchaser Assets Pledge Agreements;

**"Asset Purchaser Principal Available Amount"** shall mean, on any Monthly Calculation Date, the sum of the following amounts received by the Issuer during the Monthly Collection Period immediately preceding such Monthly Calculation Date:

- (i) as repayment and prepayment in full of principal under the Mortgage Receivables, less, with respect to each Savings Mortgage Receivable and Hybrid Savings Mortgage Receivable, the Participation in such Savings Mortgage Receivable or such Hybrid Savings Mortgage Receivable (such amount, together with items (iii) up to and including (vii), less any amounts received under item (v) to the extent such amounts result from the sale of Mortgage Receivables pursuant to the best efforts obligation of the Asset Purchaser to repay principal under the IC Loans in connection with the redemption of Notes upon exercise of a call-option as set out in the relevant Asset Purchaser Trust Agreement, being the **'Asset Purchaser Principal Receipts'**);
  - (ii) on a Note Calculation Date, any amounts to be credited to the relevant IC Loan Principal Deficiency Ledger on the immediately succeeding Note Payment Date;
  - (iii) as Net Proceeds on any Mortgage Receivable, to the extent such proceeds relate to principal less, with respect to each Savings Mortgage Receivable and Hybrid Savings Mortgage Receivable, the Participation in such Savings Mortgage Receivable or such Hybrid Savings Mortgage Receivable;
  - (iv) as amounts received in connection with a repurchase of the Mortgage Receivables by the relevant Seller and any other amounts received pursuant to the relevant Asset Purchaser Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal less, with respect to each Savings Mortgage Receivable and Hybrid Savings Mortgage Receivable, the Participation in such Savings Mortgage Receivable or Hybrid Savings Mortgage Receivable;
  - (v) as amounts received in connection with a sale of Mortgage Receivables to the extent such amounts relate to principal less, with respect to each relevant Savings Mortgage Receivable and each Hybrid Savings Mortgage Receivable, the Participation in such Savings Mortgage Receivable or Hybrid Savings Mortgage Receivable;
  - (vi) as Participation Increase, less any amounts paid towards termination of the sub-participation in the relevant Savings Mortgage Receivables or the Hybrid Savings Mortgage Receivables in case of a Policy Switch, pursuant to the relevant Asset Purchaser Sub-participation Agreement;
  - (vii) as partial prepayment in respect of Mortgage Receivables;
  - (viii) any part of the relevant Asset Purchaser Principal Available Amount calculated on the immediately preceding Note Calculation Date which has not been applied towards payment of the relevant IC Loans or purchase of Further Advance Receivables or New Mortgage Receivables on the immediately preceding Monthly Payment Date;
  - (ix) as amounts received on the relevant Asset Purchaser Collection Account on the preceding Mortgage Purchase Date from the credit balance of the Asset Purchaser Construction Account in cases where the relevant Construction Amount is paid to the relevant Borrower by means of set-off with the Mortgage Receivables;
  - (x) the net proceeds from an IC Loan under the relevant IC Loan Agreement, to be made from (but excluding) the immediately preceding Monthly Payment Date to (and including) the immediately succeeding Monthly Payment Date;
- less:
- (xi) any amounts which have been applied in satisfaction by means of set-off with (part of) the Initial Purchase Price of New Mortgage Receivables and Further Advance Receivables on a Mortgage Payment Date falling in this Mortgage Collection Period

**"Asset Purchaser Receivables Pledge Agreement"** means a receivables pledge agreement entered into by the relevant Asset Purchaser and the Security Trustee at the Programme Closing Date or the relevant Asset

Purchaser Accession Date, as the case may be, as the same may be amended, restated, supplemented or otherwise modified from time to time;

**"Asset Purchaser Secured Parties"** means the relevant Asset Purchaser Director, the relevant Asset Purchaser Administrator, the relevant Asset Purchaser Cashflow Swap Counterparty, the relevant Seller, the relevant Savings Participants, and the Issuer;

**"Asset Purchaser Servicing Agreement"** means an asset purchaser servicing agreement entered into by the relevant Asset Purchaser, the relevant Seller, the Asset Purchaser Administrator, the Pool Servicer and the Security Trustee at the Programme Closing Date or the relevant Asset Purchaser Accession Date, as the case may be, as the same may be amended, restated, supplemented or otherwise modified from time to time;

**"Asset Purchaser Sub-participation Agreement"** means an asset purchaser sub-participation Agreement entered into by the relevant Asset Purchaser, the relevant Insurance Companies and the Security Trustee at the Programme Closing Date or the relevant Asset Purchaser Accession Date, as the case may be, as the same may be amended, restated, supplemented or otherwise modified from time to time;

**"Asset Purchaser Trust Agreement"** means a trust agreement entered into by the relevant Asset Purchaser, the Asset Purchaser Secured Parties and the Security Trustee at the Programme Closing Date or the relevant Asset Purchaser Accession Date, as the case may be, as the same may be amended, restated, supplemented or otherwise modified from time to time;

**"Asset Purchasers"** means Dolphin Asset Purchasing FBN B.V. and Dolphin Asset Purchasing FHB B.V. and/or, as the case may be, any Asset Purchaser who accedes to the Programme as Asset Purchaser;

**"Beneficiary Rights"** means all claims which the Sellers have or will have as beneficiary vis-à-vis an Insurance Company in respect of the relevant Insurance Policy under which the relevant Seller has been appointed as first beneficiary ("*begunstigde*") in connection with a Mortgage Receivable;

**"Business Day"** means a day on which banks are open for business in Amsterdam, London, Brussels and Luxembourg provided that such day is also a day on which the Trans-European Automated Real-Time Gross Settlement European Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007 ("**TARGET System**") or any successor thereto is operating credit or transfer instructions in respect of payments in euro and in the case such is specified in the Applicable Final Terms in respect of such Notes means also a day on which (i) US Dollar deposits may be dealt in on the London interbank market and foreign banks are open for general business in London and (ii) banks are open for general business in New York City;

**"Class A Noteholders"** means the several persons who are for the time being holders of any Class A Notes;

**"Class A Notes"** means the Class A Notes of all Series, or, if the context so requires, the Class A Notes of the relevant Series;

**"Class A Pass-through Notes"** means, on any date, the Class A Notes which are subject to mandatory repayment on the next Note Payment Date;

**"Class A Pass-through Notes Redemption Available Amount"** means, if the Pro-rata Condition is satisfied, the amount available for redemption of Class A Pass-through Notes by the Issuer on each Note Payment Date which will be equal to

$A \times B/C$

where:

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

**"Class B Interest Deficiency Ledger"** means a ledger established for the purpose of recording any shortfall in funds available to it to satisfy its obligations in respect of amounts of interest due on the Class B Notes;

**"Class B Noteholders"** means the several persons who are for the time being holders of any Class B Notes;

**"Class B Notes"** means the Class B Notes of all Series, or, if the context so requires, the Class B Notes of the relevant Series;

**"Class B Pass-through Notes"** means, on any date, the Class B Notes which are subject to mandatory repayment on the next Note Payment Date;

**"Class B Pass-through Notes Redemption Available Amount"** means, if the Pro-rata Condition is satisfied, the amount available for redemption of Class B Pass-through Notes by the Issuer on each Note Payment Date which will be equal to

$$A \times B/C$$

where:

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

**"Class C Interest Deficiency Ledger"** means a ledger established for the purpose of recording any shortfall in funds available to it to satisfy its obligations in respect of amounts of interest due on the Class C Notes;

**"Class C Noteholders"** means the several persons who are for the time being holders of any Class C Notes;

**"Class C Notes"** means the Class C Notes of all Series, or, if the context so requires, the Class C Notes of the relevant Series;

**"Class C Pass-through Notes"** means, on any date, the Class C Notes which are subject to mandatory repayment on the next Note Payment Date;

**"Class C Pass-through Notes Redemption Available Amount"** means, if the Pro-rata Condition is satisfied, the amount available for redemption of Class C Pass-through Notes by the Issuer on each Note Payment Date which will be equal to

$$A \times B/C$$

where:

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

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

"**Class D Interest Deficiency Ledger**" means a ledger established for the purpose of recording any shortfall in funds available to it to satisfy its obligations in respect of amounts of interest due on the Class D Notes;

"**Class D Noteholders**" means the several persons who are for the time being holders of any Class D Notes;

"**Class D Notes**" means the Class D Notes of all Series, or, if the context so requires, the Class D Notes of the relevant Series;

"**Class D Pass-through Notes**" means, on any date, the Class D Notes which are subject to mandatory repayment on the next Note Payment Date;

"**Class D Pass-through Notes Redemption Available Amount**" means, if the Pro-rata Condition is satisfied, the amount available for redemption of Class D Pass-through Notes by the Issuer on each Note Payment Date which will be equal to

$A \times B/C$

where:

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

B = the Principal Amount Outstanding of all Class D Pass-through Notes outstanding at such Note Payment Date;

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

"**Class E Interest Deficiency Ledger**" means a ledger established for the purpose of recording any shortfall in funds available to it to satisfy its obligations in respect of amounts of interest due on the Class E Notes;

"**Class E Noteholders**" means the several persons who are for the time being holders of any Class E Notes;

"**Class E Notes**" means the Class E Notes of all Series, or, if the context so requires, the Class E Notes of the relevant Series;

"**Clearstream, Luxembourg**" means Clearstream Banking, société anonyme;

"**Coupons**" means the interest coupons appertaining to the Notes;

"**DBRS**" means DBRS Limited;

"**Definitive Note**" means a Note in definitive form in bearer form;

"**Eligible Investments**" means investments by the Issuer or the relevant Asset Purchaser in accordance with the Relevant Documents;

"**Euroclear**" means Euroclear Bank S.A./N.V. as operator of the Euroclear System;

"**Euroclear Netherlands**" means Nederlands Centraal Instituut voor Effectenverkeer B.V. (Euroclear Netherlands);

"**Extraordinary Resolution**" has the meaning ascribed to it in the Issuer Trust Deed;

**"Final Maturity Date"** means in respect of the Notes of a Series and Class the final maturity date set out in the Applicable Final Terms;

**"Final Terms"** means the duly completed final terms of which a form is set out in section Form of the Notes of the Base Prospectus;

**"Fitch"** means Fitch Ratings Limited;

**"Fixed Rate Notes"** means any and all Notes with a fixed rate of interest;

**"Floating Rate Notes"** means any and all Notes with a floating rate of interest;

**"Global Note"** means each Temporary Global Note or each Permanent Global Note, as the context may require;

**"Holding"** means Stichting Holding Dolphin;

**"IC Loan Agreement"** means a loan agreement entered into by the relevant Asset Purchaser, the Issuer and the Security Trustee at the Programme Closing Date or the relevant Asset Purchaser Accession Date, as the case may be, as the same may be amended, restated, supplemented or otherwise modified from time to time;

**"Issue Date"** means the date in respect of the Notes of a Series issued on the same date, on which these Notes are issued;

**"Issuer"** means Dolphin Master Issuer B.V.;

**"Issuer Administration Agreement"** means the issuer administration agreement entered into by the Issuer and the Issuer Administrator and the Security Trustee at the Programme Closing Date, as the same may be amended, restated, supplemented or otherwise modified from time to time;

**"Issuer Administrator"** means Fortis Intertrust (Netherlands) B.V.;

**"Issuer Collection Period"** means an issuer collection period that commence on (but exclude) a relevant Note Payment Date and end on (and include) the next succeeding Note Payment Date, except for the first Issuer Collection Period which will commence on and include the first Issue Date and end on (and include) the next succeeding Note Payment Date;

**"Issuer Currency Swap Agreement"** means a currency swap agreement entered into by the Issuer, the relevant Swap Provider and the Security Trustee at the Programme Closing Date or at any later date to hedge certain differences in amounts received and amounts payable by the Issuer, as the same may be amended, restated, supplemented or otherwise modified from time to time;

**"Issuer GIC"** means the guaranteed investment contract entered into by the Issuer, the Issuer GIC Provider and the Security Trustee at the Programme Closing Date, as the same may be amended, restated, supplemented or otherwise modified from time to time;

**"Issuer GIC Provider"** means Fortis Bank (Nederland) N.V.;

**"Issuer Parallel Debt Agreement"** means the parallel debt agreement entered into by the Issuer, the Issuer Secured Parties (other than the Noteholders) and the Security Trustee at the Programme Closing Date as the same may be amended, restated, supplemented or otherwise modified from time to time;

**"Issuer Pass-through Principal Available Amount"** means the amount available for redemption of the Pass-through Notes and is equal to the sum of all Asset Purchaser Pass-through Payable Amounts in respect of each Asset Purchaser payable in the relevant Issuer Collection Period;

**"Issuer Pledge Agreement"** means the pledge agreement entered into by the Issuer, the Issuer Secured Parties and the Security Trustee at the Programme Closing Date, as the same may be amended, restated, supplemented or otherwise modified from time to time;

**"Issuer Principal Available Amount"** means the sum of the following amounts received, calculated at any Note Calculation Date, as being received or held during the Issuer Collection Period in which such Note Calculation Date falls:

- i. as repayment and prepayment in full or in part of principal under the IC Loans;
- ii. any part of the relevant Issuer Principal Available Amount calculated on the immediately preceding Note Calculation Date which has not been applied towards (a) redemption of the Notes, (b) granting of any IC Loan and (c) investments in Eligible Investments;
- iii. the net proceeds from the issue of any Notes, other than Class C Notes, issued during that Issuer Collection Period;
- iv. amounts to be received from the Issuer Currency Swap Counterparty under the Issuer Currency Swap Agreement, to the extent relating to principal;
- v. as amounts to be drawn from the Reserved Ledger as a result of a Reserved Ledger Repayment Debit; less:
- vi. any part of the Issuer Principal Available Amount, which has been applied towards the granting of any further IC Loans from (but excluding) the immediately preceding Note Payment Date up to (but excluding) the immediately succeeding Note Payment Date;
- vii. the amounts to be paid to the Issuer Currency Swap Counterparty under the Issuer Currency Swap Agreement to the extent relating to principal and not included in the Issuer Interest Priority of Payments;

**"Issuer Secured Parties"** means the Issuer Director, the Security Trustee Director, the Holding Director, the Issuer Administrator, the Paying Agents, the Reference Agent, any Issuer Currency Swap Counterparty and the Noteholders;

**"Issuer Trust Deed"** means the issuer trust deed to be entered into by the Security Trustee and the Issuer on the Programme Closing Date substantially in the Agreed Form as the same may be amended, restated, supplemented or otherwise modified from time to time;

**"Listing Agent"** means Fortis Bank (Nederland) N.V.;

**"Loss Rate"** means on any Note Payment Date in respect of an Asset Purchaser, the Realised Losses in respect of such Asset Purchaser in the preceding Note Collection Period, divided by the Outstanding Principal Amount of the Mortgage Receivables of such Asset Purchaser on the first day of the immediately preceding Note Collection Period;

**"Management Agreements"** means all Asset Purchaser Management Agreements, the Holding Management Agreement, the Security Trustee Management Agreement and the Issuer Management Agreement;

**"Master Definitions Schedule"** means the master definitions schedule attached to the Programme Agreement entered into, among others, by the Issuer, the Asset Purchasers, the Security Trustee and the Issuer Secured Parties at the Programme Closing Date, as the same may be amended, restated, supplemented or otherwise modified from time to time;

**"Moody's"** means Moody's Investors Service Limited;

**"Mortgage Collection Period"** means the period commencing on (and including) the first day of each calendar month and ending on (and including) the last day of the same calendar month, except for the first Mortgage Collection Period which will commence on (and include) 1 September 2007 and end on (and include) 30 September 2007;

**"Mortgage Loans"** shall, after any purchase and assignment of New Mortgage Receivables and Further Advance Receivables having been taken place, be the loans, entered into by the relevant Seller and the relevant Borrowers set out in the relevant Deed of Sale, Assignment and Pledge;

**"Mortgage Payment Date"** means the sixth business day following the fifth calendar day following the last day of a Mortgage Collection Period;

**"Mortgage Receivables"** means any and all rights of the Sellers against certain borrowers (the **"Borrowers"**) under or in connection with the Mortgage Loans sold by the relevant Seller pursuant to the relevant Asset Purchaser Mortgage Receivables Purchase Agreement;

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

**"Note Calculation Date"** means, in relation to a Note Payment Date the third business day prior to such Note Payment Date;

**"Note Collection Period"** means, in relation to a Note Calculation Date, the three successive Mortgage Collection Periods immediately preceding such Note Calculation Date, except for the first Note Collection Period, which will mean the Mortgage Collection Periods immediately preceding the first Note Calculation Date;

**"Noteholders"** means the several persons who are for the time being holders of any Notes, including those having a credit balance in the collective depots held by Euroclear Netherlands or one of its participants;

**"Notes Purchase Agreement"** means a notes purchase agreement entered into by the Issuer, the Security Trustee and the relevant Managers at the Programme Closing Date or Issue Date, as the case may be, as the same may be amended, restated, supplemented or otherwise modified from time to time;

**"Pass-through Percentage"** means on any Monthly Payment Date the Principal Amount Outstanding of all Pass-through Notes (excluding the Class E Notes) on such date, less any amount standing to the debit of the Issuer Principal Deficiency Ledger to the extent attributable to the Pass-through Notes, divided by the Principal Amount Outstanding of all Notes (excluding the Class E Notes) on such date, less any amount standing to the debit of the Issuer Principal Deficiency Ledger on such date (for the avoidance of doubt, prior to the application of the Issuer Principal Priority of Payments in case the Monthly Payment Date is also a Note Payment Date);

**"Paying Agency Agreement"** means the paying agency agreement entered into by the Issuer, the Principal Paying Agent, the Paying Agent, and the Security Trustee at the Programme Closing Date, as the same may be amended, restated, supplemented or otherwise modified from time to time;

**"Paying Agent"** means Fortis Bank (Nederland) N.V.;

**"Paying Agents"** means the Principal Paying Agent and the Paying Agent;

**"Permanent Global Note"** means a permanent global note issued by the Issuer;

**"Pool Servicers"** means Fortis Hypotheek Bank N.V. and Fortis Bank (Nederland) N.V. and/or any other Pool Servicer who accedes to the Programme as a Pool Servicer;

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

**"Principal Paying Agent"** means Fortis Banque Luxembourg S.A. in respect of Notes deposited with a Common Safekeeper or Common Depository for Euroclear and Clearstream, Luxembourg only;

**"Principal Payment Rate"** means on any Note Payment Date in respect of an Asset Purchaser, items (i), (iii), (iv), (v), (vi), (vii) and (ix) of the Asset Purchaser Principal Available Amounts in relation to the immediately preceding Note Collection Period, divided by the Outstanding Principal Amount of the Mortgage Receivables of such Asset Purchaser on the first day of the immediately preceding Note Collection Period;

**"Principal Redemption Amount"** means the amount redeemable in respect of each Note on the relevant Note Payment Date;

**"Programme"** means this € 25,000,000,000 Residential Mortgage Backed Note Programme of Dolphin Master Issuer B.V.;

**"Programme Agreement"** means the programme agreement entered into by the Issuer, the Issuer Secured Parties, the Asset Purchaser, the Security Trustee and the Dealers at the Programme Closing Date, as the same may be amended, restated, supplemented or otherwise modified from time to time;

**"Programme Secured Parties"** means the Issuer Secured Parties and the Asset Purchaser Secured Parties;

**"Pro-rata Condition"** means, in respect of a Note Payment Date, that:

- a. no amount is recorded on Issuer Principal Deficiency Ledger on such date after giving effect to payments to be made on the relevant Note Payment Date in accordance with the Issuer Interest Priority of Payments; and
- b. not more than 2.5 per cent. of the aggregate Outstanding Principal Amount of the Mortgage Loans is in arrear for more than 90 days; and
- c. on the previous Note Payment Date, the balance on the Unreserved Ledger was at least equal to the Class D Required Subordination Amount.

**"Rating Agencies"** S&P, Moody's, Fitch and DBRS;

**"Reference Banks"** means in respect of Euribor the principal euro-zone office of each of four major banks in the euro-zone interbank market and in respect of Dollar Libor, the principal London office of each of four major banks in the London interbank market;

**"Reference Agent"** means Fortis Bank N.V./S.A.;

**"Relevant Documents"** means the Programme Agreement, the Issuer Assets Pledge Agreement, the Issuer Currency Swap Agreements, the Issuer Administration Agreement, the Issuer GIC, the IC Loan Agreements, the Issuer Trust Deed, the Issuer Parallel Debt Agreement, the Notes Purchase Agreements, the Paying Agency Agreement, the Asset Purchaser Mortgage Receivables Purchase Agreements, the Asset Purchaser Pledge Agreements, the Asset Purchaser GICs, the Asset Purchaser Cashflow Swap Agreements, the Asset Purchaser Trust Agreements, the Asset Purchaser Beneficiary Waiver Agreements, the Asset Purchaser Subparticipation Agreements, the Asset Purchaser Servicing Agreements, the Deposit Agreements and the Management Agreements;



**"Relevant Issuer Documents"** means the Programme Agreement, the Issuer Pledge Agreement, the Issuer Currency Swap Agreements, the IC Loan Agreements, the Issuer Trust Deed, the Issuer Parallel Debt Agreement, the Notes Purchase Agreements, the Paying Agency Agreement, the Issuer GIC, the Issuer Administration Agreement, the Issuer Management Agreement, the Holding Management Agreement and the Security Trustee Management Agreement;

**"Repayment Test"** means, in respect of a Series and Class of B Notes, Class C Notes, Class D Notes and Class E Notes on a Note Payment Date, the following:

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

Available Subordinated Amount are or, as the case may be, is lower than the Class A Required Subordinated Amount, the Class B Required Subordinated Amount, the Class C Required Subordinated Amount and/or the Class D Required Subordinated Amount respectively, the Class A Available Subordinated Amount, the Class B Available Subordinated Amount, the Class C Available Subordinated Amount and/or the Class D Available Subordinated Amount are or, as the case may be, is at least equal to the Class A Available Subordinated Amount, the Class B Available Subordinated Amount, the Class C Available Subordinated Amount and/or the Class D Available Subordinated Amount respectively, before giving effect to such payments and issuances.

**"Security Trustee"** means Stichting Security Trustee Dolphin;

**"Sellers"** means Fortis Bank (Nederland) N.V. and Fortis Hypotheek Bank N.V. and/or, as the case may be, any Seller who accedes to the Programme as a Seller;

**"Step-up Date"** means in respect of the Notes of a Series and Class the step-up date set out in the Applicable Final Terms;

**S&P** means Standard & Poor's, a division of The McGraw-Hill Companies, Inc.;

**"Temporary Global Note"** means a temporary global note issued by the Issuer;

**"Trigger Event"** means any of the following events:

- an amount is debited to the Class A Principal Deficiency Ledger; or
- the 403-Guarantor or any Seller takes any corporate action or other steps are taken or legal proceedings are started or threatened against it for its dissolution ("*ontbinding*") and liquidation ("*vereffening*") or any of its assets are placed under administration ("*onder bewind gesteld*"); or
- the 403-Guarantor or any Seller has taken any corporate action or any steps have been taken or legal proceedings have been commenced against it for the 403-Guarantor or a Seller entering into suspension of payments ("*surseance van betaling*"), or if applicable, emergency regulations ("*noodregeling*") as referred to in Chapter 3 of the Act on Financial Supervision ("*Wet op het financieel toezicht*" or "*Wft*") as amended from time to time or for bankruptcy ("*faillissement*") or for any analogous insolvency proceedings under any applicable law or for the appointment of a receiver or a similar officer of it or of any or all of its assets.

### **USE OF PROCEEDS**

The net proceeds from the issue of the Notes, other than the Class E Notes, will be applied to provide one or more Asset Purchasers with an IC Loan, or to redeem other Notes.

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

The Issuer will credit the net proceeds from the Class E Notes to the Reserve Account.

## DESCRIPTION OF SECURITY

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

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

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

(the parties referred to in item (i) through (v), together the '**Issuer Secured Parties**').

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

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

In the relevant Asset Purchaser Trust Agreement the relevant Asset Purchaser will also irrevocably and unconditionally undertake to pay to the Security Trustee (the '**Asset Purchaser Parallel Debt**') and together with the Issuer Parallel Debt, the '**Programme Parallel Debts**') which will be equal to the aggregate amount due ("*verschuldigd*") by the relevant Asset Purchaser:

- (i) as fees or other remuneration to the relevant Asset Purchaser Director under the Asset Purchaser Management Agreement;
- (ii) as fees and expenses to the Asset Purchaser Administrator and the Pool Servicer under the relevant Asset Purchaser Servicing Agreement;
- (iii) to the Asset Purchaser Cashflow Swap Counterparty under the relevant Asset Purchaser Cashflow Swap Agreement;
- (iv) to the relevant Seller (a) under the relevant Asset Purchaser Mortgage Receivables Purchase Agreement and (b) under the relevant Deeds of Sale, Assignment and Pledge;
- (v) to the relevant Savings Participants under the relevant Sub-participation Agreement; and
- (vi) to the Issuer under the relevant IC Loan Agreement

(the parties referred to in item (i) through (vi), together the relevant '**Asset Purchaser Secured Parties**' and together with the Issuer Secured Parties, the '**Programme Secured Parties**').

As set out above, each Asset Purchaser undertakes to guarantee all obligations of the Issuer under the Issuer Parallel Debt towards the Security Trustee. This Asset Purchaser Guarantee is only granted to enable each Asset Purchaser to also secure the obligations of the Issuer under the Issuer Parallel Debt without causing a subrogation claim ("*vordering uit subrogatie*") to arise when such security is enforced.

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

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

Each Asset Purchaser undertakes to grant a first ranking right of pledge ("*pandrecht*") in the relevant Deed of Sale, Assignment and Pledge under a receivables pledge agreement between such Asset Purchaser and the Security Trustee dated the Programme Closing Date or the relevant Asset Purchaser Accession Date (each an '**Asset Purchaser Receivables Pledge Agreement**') over the Relevant Mortgage Receivables and any Beneficiary Rights relating thereto to the Security Trustee. Such right of pledge will in respect of the Mortgage Receivables and any Beneficiary Rights relating thereto be vested on each Mortgage Purchase Date on which they are acquired, and will secure the payment obligations of the relevant Asset Purchaser to the Security Trustee under the relevant Asset Purchaser Trust Agreement, including the Asset Purchaser Parallel Debt and the Asset Purchaser Guarantee and any other Relevant Asset Purchaser Documents. The pledge on the relevant Mortgage Receivables and the Beneficiary Rights relating thereto will not be notified to the Borrowers, except in case certain events occur relating to the Asset Purchaser and/or Issuer, including the giving of an Enforcement Notice by the Security Trustee (the '**Asset Purchaser Pledge Notification Events**'). Prior to notification of the pledge to the Borrowers and the Insurance Companies, the pledge will be a 'silent' right of pledge ("*stil pandrecht*") within the meaning of section 3:239 of the Netherlands Civil Code.

Each Asset Purchaser will also vest rights of pledge in favour of the Security Trustee under an assets pledge agreement between, *inter alia*, such Asset Purchaser and the Security Trustee dated the Programme Closing Date or the relevant Asset Purchaser Accession Date (each an '**Asset Purchaser Assets Pledge Agreement**'). The rights of pledge created in the Asset Purchaser Assets Pledge Agreement secure, *inter alia*, any and all liabilities of the relevant Asset Purchaser to the Security Trustee resulting from or in connection with the relevant Asset Purchaser Trust Agreement, including the Asset Purchaser Parallel Debt and the Asset Purchaser Guarantee, and any other Relevant Asset Purchaser Documents and will be vested on all rights of the relevant Asset Purchaser under or in connection with (i) the relevant Asset Purchaser Mortgage Receivables Purchase Agreement, (ii) the relevant Asset Purchaser Servicing Agreement, (iii) the relevant Asset Purchaser GIC (iv) the relevant Asset Purchaser Sub-participation Agreement, (v) the relevant Asset Purchaser Cashflow Swap Agreement and (vi) the relevant Asset Purchaser Accounts. These rights of pledge will be notified to the obligors and will, therefore be a "disclosed" right of pledge ("*openbaar pandrecht*").

The Issuer will also vest rights of pledge in favour of the Security Trustee under the assets pledge agreement between, *inter alia*, the Issuer and the Security Trustee dated the Programme Closing Date (the '**Issuer Assets Pledge Agreement**'). The rights of pledge created in the Issuer Assets Pledge Agreement secure, *inter alia*, any and

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

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

## THE SECURITY TRUSTEE

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

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

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

## TAXATION IN THE NETHERLANDS

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

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

Subject to the foregoing:

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

and, if the Holder is a legal person,

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

and, if the Holder is a natural person,

- (v) such Holder does not derive income and/or capital gains from activities in the Netherlands other than business income (as described under 3.(ii)) to which activities the Notes are attributable; and
- (vi) such Holder or a person related to the Holder by law, contract, consanguinity or affinity to the degree specified in the tax laws of the Netherlands does not have, or is not deemed to have, a substantial interest\* in the share capital of the Issuer and/or any Asset Purchaser and/or Seller.

\*Generally speaking, an interest in the share capital of the Issuer and/or any Asset Purchaser and/or Seller should not be considered as a substantial interest if the Holder of such interest, and if the Holder is a natural



person his spouse, registered partner, certain other relatives or certain persons sharing the Holder's household, do not hold, alone or together, whether directly or indirectly, the ownership of, or certain rights over, shares or rights resembling shares representing five percent 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 Seller.

4. There will be no Dutch gift, estate or inheritance tax levied on the acquisition of a Note by way of gift by, or on the death of a Holder, if the Holder at the time of the gift or the death is neither a resident nor a deemed resident of the Netherlands, unless:
  - (i) at the time of the gift or death, the Notes are attributable to an enterprise or part thereof, which is carried on through a permanent establishment or a permanent representative in the Netherlands; or
  - (ii) the Holder dies within 180 days of making the gift, and at the time of death is a resident or deemed resident of the Netherlands.

## SUBSCRIPTION AND SALE

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

### European Economic Area

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

### France

The Notes may only be offered or sold to qualified investors ("*investisseurs qualifiés*") and/or to a restricted circle of investors ("*cercle restreint d'investisseurs*"), provided such investors act for their own account, and/or to persons providing portfolio management financial services ("*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*"), in the Republic of France, within the meaning of Article L.411-2 of the French *Code Monétaire et Financier* (Monetary and Financial Code) and the Decree 98-880 dated 1st October 1998; neither this Base Prospectus, which has not been submitted to the *Autorité des Marchés Financiers*, nor any information contained therein or any offering material relating to the Notes, may be distributed or caused to be distributed to the public in France.

### Italy

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

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

- (i) to professional investors ("*investitori professionali*") as defined in article 30, second paragraph, of Legislative Decree No. 58 of 24 February 1998 (the "Consolidated Financial Act"), which refers to the definition of "*operatori qualificati*" as defined in Article 31, second paragraph, of CONSOB Regulation No. 11522 of 1 July, 1998, as subsequently amended; or
- (ii) in circumstances which are exempted from the rules on solicitation of investments pursuant to article 100 of the Consolidated Financial Act and article 33, first paragraph, of Consob Regulation No. 11971 of 14 May, 1999.

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

- (a) by an investment firm, bank or financial intermediary enrolled in the special register provided for in Article 107 of the Consolidated Banking Act, to the extent duly authorised to engage in the placement and/or underwriting of financial instruments in the Republic of Italy in accordance with the relevant provisions of the Consolidated Financial Act;
- (b) in compliance with any other applicable laws and regulations and other possible requirements or limitations which may be imposed by Italian authorities.

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

#### **United Kingdom**

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

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

#### **United States**

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

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

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

#### **Japan**

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the 'Securities and Exchange Law') and the Dealer will agree and each further Dealer (and Manager) appointed will be required to agree, that it will not offer or sell Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which terms as used herein means any person resident in Japan, including any corporation or other entity organised under the Laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan

or to a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws and regulations of Japan.

**General**

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

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

## GENERAL INFORMATION

1. The establishment of the Programme and the issue of Notes under the Programme from time to time have been duly authorised by a resolution of the Board of Managing Directors of the Issuer (the '**Board**') dated 19 September 2007. All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of The Netherlands have been given for the issue of Notes and for the Issuer to undertake and perform its obligations under the Relevant Documents.
2. Application may be made for Notes issued under the Programme to be admitted to listing on Euronext Amsterdam by NYSE Euronext during the period of 12 months from the date of this Base Prospectus. Notice of any terms and conditions not contained herein which are applicable to the Notes will be set out in the Final Terms which, with respect to such Notes to be listed on Euronext Amsterdam, will be delivered to Euronext Amsterdam and filed with the AFM on or before the date of issue. Notes issued under the Programme may also be listed on any other stock exchange specified in the applicable Final Terms or unlisted.
3. Copies of the following documents may be inspected at the specified offices of the Security Trustee during normal business hours:
  - (i) the articles of association of the Issuer;
  - (ii) the Paying Agency Agreement;
  - (iii) the Programme Agreement (including the Master Definitions Schedule);
  - (iv) the Issuer Administration Agreement;
  - (v) the Issuer Assets Pledge Agreement;
  - (vi) the Issuer Parallel Debt Agreement;
  - (vii) the Issuer Trust Deed;
  - (viii) the Issuer GIC;
  - (ix) each Issuer Currency Swap Agreement;
  - (x) the forms of the Temporary Global Notes, the Permanent Global Notes and the Definitive Notes set out in the schedules to the Issuer Trust Deed;
  - (xi) each IC Loan Agreement
  - (xii) each Asset Purchaser Mortgage Receivables Purchase Agreement;
  - (xiii) each Asset Purchaser Servicing Agreement;
  - (xiv) each Asset Purchaser Assets Pledge Agreement;
  - (xv) each Asset Purchaser Receivables Pledge Agreement;
  - (xvi) each Asset Purchaser Trust Agreement;
  - (xvii) each Asset Purchaser Sub-Participation Agreement;
  - (xviii) each Asset Purchaser GIC;
  - (xix) each Asset Purchaser Cashflow Swap Agreement;
  - (xx) each Asset Purchaser Beneficiary Waiver Agreement;
  - (xxi) the articles of association of the Security Trustee;
  - (xxii) any Notes Purchase Agreements;
  - (xxiii) any future Base Prospectuses, supplemental prospectuses hereto and the Final Terms in respect of listed Notes to this Base Prospectus.
4. The audited annual financial statements of the Issuer prepared annually will be made available, free of charge, at the specified offices of the Security Trustee.
5. A copy of the Issuer's articles of association is available, free of charge, at the office of the Issuer.
6. Application will be made for the Notes to be accepted for clearance through Euroclear and Clearstream, Luxembourg or Euroclear Netherlands, or any other agreed clearing system, as the case may be. The appropriate common code, ISIN and security code allocated by Euroclear and Clearstream, Luxembourg or

Euroclear Netherlands, or any other agreed clearing system, as the case may be, will be specified in the applicable Final Terms.

7. A quarterly report on the performance, including the arrears and losses, of the transaction, together with current stratification tables and information on new issues of Notes under this Programme will be published on and can be obtained at: [www.fortis.com/debtinvestors](http://www.fortis.com/debtinvestors).

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**REGISTERED OFFICES****ISSUER**

Dolphin Master Issuer B.V.  
 Frederik Roeskestraat 123  
 1076 EE Amsterdam  
 the Netherlands

**ISSUER ADMINISTRATOR AND  
ASSET PURCHASER ADMINISTRATOR**

Fortis Intertrust (Netherlands) B.V.  
 Rokin 55  
 1012 KK Amsterdam  
 the Netherlands

**SELLERS AND  
POOL SERVICERS**

Fortis Bank (Nederland) N.V.  
 Blaak 555  
 3011 GB Rotterdam  
 the Netherlands

Fortis Hypotheek Bank N.V.  
 Weena 70  
 3012 CM Rotterdam  
 the Netherlands

**SECURITY TRUSTEE**

Stichting Security Trustee Dolphin  
 Frederik Roeskestraat 123  
 1076 EE Amsterdam  
 the Netherlands

**LEGAL ADVISERS**

to the Sellers, the Arranger and the Issuer  
 NautaDutilh N.V.  
 Strawinskyalaan 1999  
 1077 XV Amsterdam  
 the Netherlands

**TAX ADVISERS**

KPMG Meijburg & Co.  
 Burgemeester Rijnderslaan 10  
 1185 MC Amstelveen  
 the Netherlands

**PRINCIPAL PAYING AGENT**

Fortis Banque Luxembourg S.A.  
 50 Avenue John F. Kennedy  
 L-2951 Luxembourg  
 Luxembourg

**PAYING AGENT**

Fortis Bank (Nederland) N.V.  
 Rokin 55  
 1012 KK Amsterdam  
 the Netherlands

**ARRANGER AND REFERENCE AGENT**

Fortis Bank N.V./S.A.  
 Montagne du parc 3  
 B-1000, Brussels  
 Belgium

**LISTING AGENT**

Fortis Bank (Nederland) N.V.  
 Rokin 55  
 1012 KK Amsterdam  
 the Netherlands

**AUDITORS**

KPMG Accountants N.V.  
 Burgermeester Rijnderslaan 10-20  
 1185 MC Amstelveen  
 the Netherlands