

Base Prospectus dated 7 July 2011

**FISHBOWL 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 and any amendments thereto (the "**Prospectus Directive**"), including Directive 2010/73/EU (the "**PD Amending Directive**"), to the extent applicable and implemented in the Relevant Member State (as defined herein), and includes any relevant implementing measure in the Relevant Member State. 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 (12) months after the date hereof.

Under this € 25,000,000,000 Residential Mortgage Backed Note Programme (the "**Programme**") Fishbowl Master Issuer B.V. (the "**Issuer**") may from time to time issue Class A Notes, Class B Notes, Class C Notes and Class D 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.

The Notes, other than the Class D Notes, will be issued to finance loans (each advance an "**IC Loan**") to the Asset Purchaser under the IC Loan Agreement 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 D Notes will be deposited on the Issuer Reserve Account or will be available to redeem other Notes, subject to fulfilment of the Repayment Test. 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 Purchaser in favour of the Security Trustee.

Application may be made for the Notes to be admitted to trading and listing 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 expected that, for each issuance of a Series of Notes, the Class A Notes, on issue, be assigned at least an "AAA(sf)" rating by Standard & Poor's Credit Market Services Europe Ltd ("**S&P**"), an "Aaa(sf)" rating by Moody's Investors Service Limited ("**Moody's**") and a "AAA(sf)" rating by DBRS, Inc. ("**DBRS**"), and together with S&P and Moody's, the "**Rating Agencies**", the Class B Notes, on issue, be assigned at least a "AA-(sf)" rating by S&P, a "A1(sf)" rating by Moody's and a "A1(sf)" rating by DBRS and the Class C Notes, on issue, be assigned at least a "Baa2(sf)" rating by Moody's, such ratings being the "**Minimum Ratings**". The Rating Agencies are established in the European Union. As of the date of this Base Prospectus none of the Rating Agencies is registered under Regulation (EC) No 1060/2009 of 16 September 2009 on credit rating agencies.

**A 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 Asset Purchaser, the Sellers, the Security Trustee, the Dealers, the Pool Servicer, the Issuer Administrator, the Asset Purchaser Administrator, the Insurance Companies, the Issuer GIC Provider, the Asset Purchaser GIC Provider, the Savings Participants, the Bank Savings Participant, the Asset Purchaser Cashflow Swap Counterparty, any Issuer Currency Swap Counterparty, the Paying Agent and the Reference Agent (each as defined herein). Furthermore, none of the Asset Purchaser, the Sellers, the Security Trustee, the Dealers, the Pool Servicer, the Issuer Administrator, the Asset Purchaser Administrator, the Insurance Companies, the Issuer GIC Provider, the Asset Purchaser GIC Provider, the Savings Participants, the Bank Savings Participant, the Asset Purchaser Cashflow Swap Counterparty, any Issuer Currency Swap Counterparty, the Paying Agent or 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 Asset Purchaser, the Sellers, the Security Trustee, the Dealers, the Pool Servicer, the Issuer Administrator, the Asset Purchaser Administrator, the Insurance Companies, the Issuer GIC Provider, the Asset Purchaser GIC Provider, the Savings Participants, the Bank Savings Participant, the Asset Purchaser Cashflow Swap Counterparty, any Issuer Currency Swap Counterparty, 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**  
ABN AMRO 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 Purchaser**

The 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 Asset Purchaser Mortgage Receivables Purchase Agreement (see further *Asset Purchaser Mortgage Receivables Purchase Agreement* below). On the Programme Closing Date the 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, the 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 IC Loan Agreement the Asset Purchaser will have the right to make drawings on any date. The 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.

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

Pursuant to the Asset Purchaser GIC, the 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 Account (see under *Credit Structure Asset Purchaser* below).

Pursuant to the Asset Purchaser Servicing Agreement, the Pool Servicer will, *inter alia*, (i) provide administration and management services to the 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 Asset Purchaser (see further *Asset Purchaser Servicing Agreement* and *Issuer Administration Agreement* below).

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

Pursuant to the Asset Purchaser Savings 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 involved and pursuant to the Asset Purchaser Bank Savings Sub-participation Agreement, the Bank Savings Participant will acquire participations in the relevant Bank Savings Mortgage Receivables corresponding to the value of the Bank Savings Deposits involved.

### **The Issuer**

The Issuer, Fishbowl 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 June 2011 under number B.V. 1649562. 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 Fishbowl.

In order to fund the granting of IC Loans to the Asset Purchaser under the IC Loan Agreement, the Issuer may issue Notes from time to time under the Programme. Other than for the granting of the IC Loans, the net proceeds of the Notes issued from time to time can be used to redeem other Notes, subject to fulfilment of the Repayment Test or, can be credited to the Issuer Pre-Funding Account. The proceeds of any Class D Notes will be credited to the Issuer Reserve Account or will be available to redeem other Notes, subject to fulfilment of the Repayment Test.

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 and Class D 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. 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 Agreement, 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 Notes, the Class C Notes and the Class D Notes will be subordinated to, *inter alia*, the Class A Notes, (ii) the right to payment of interest and principal on the Class C Notes will be subordinated to, *inter alia*, the Class A Notes and the Class B Notes and (iii) the right to payment of interest and principal on the Class D Notes will be subordinated to, *inter alia*, the Class A Notes, the Class B Notes and the Class C 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 Agreement and Issuer Administration Agreement* below).

### **Security**

The Notes will be secured indirectly, through the Security Trustee, by (i) a first ranking pledge granted by the Asset Purchaser to the Security Trustee over the Relevant Mortgage Receivables and the Beneficiary Rights, (ii) a first ranking pledge by the Asset Purchaser to the Security Trustee over the 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.

The Asset Purchaser will undertake in the 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 Asset Purchaser to the Asset Purchaser Secured Parties, the 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 Asset Purchaser Trust Agreement sets out the priority of the claims of the Asset Purchaser Secured Parties. See for a more detailed description *Credit Structure Issuer* and *Credit Structure Asset Purchaser* 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 Purchaser 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 Agreement the Asset Purchaser 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 a Sub-class thereof at their respective Principal Amount Outstanding on the Final Maturity Date of such Series and Class or a Sub-class thereof.

The Notes (other than the Class D 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 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 D 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 D 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 or (iii) in case the NHG Guarantee programme is terminated. Furthermore, the Issuer has a clean-up call option to redeem (i) all Notes or (ii) all Notes (other than the Class D Notes) of a Series and Class or Sub-class, if certain conditions are met.

In respect of the Class D 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 and listing on 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 expected that, for each issue of a Series of Notes, that the Class A Notes, on issue, be assigned an "AAA(sf)" rating by S&P, an "Aaa(sf)" rating by Moody's and a "AAA(sf)" rating by DBRS, the Class B Notes, on issue, be assigned at least a "AA-(sf)" rating by S&P, a "A1(sf)" rating by Moody's and a "AA(low)(sf)" rating by DBRS and the Class C Notes, on issue, be assigned at least a "Baa2(sf)" rating by Moody's. It is expected that the Notes will have credit ratings assigned by the credit rating agencies Moody's, S&P and DBRS. The Rating Agencies are established in the European Union. As of the date of this Base Prospectus none of the Rating Agencies is registered under Regulation (EC) No 1060/2009 of 16 September 2009 on credit rating agencies.

### **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 Purchaser, which receipt will be dependent on the receipt by the Asset Purchaser of funds under the Mortgage Receivables, the proceeds of the sale of any Mortgage Receivables and the receipt by it of 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 Asset Purchaser through a registered deed of assignment. The Asset Purchaser Mortgage Receivables Purchase Agreement will provide that the assignment of the Relevant Mortgage Receivables from the relevant Seller to the Asset Purchaser will not be notified by the relevant Seller or the Asset Purchaser to the Borrowers except if certain events occur. For a description of these notification events see *Asset Purchaser Mortgage Receivables Purchase Agreement*.

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

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

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

The mortgage deeds relating to the Relevant Mortgage Receivables to be sold by ABN AMRO Bank to the 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 mortgage deeds relating to the Relevant Mortgage Receivables to be sold by each Seller, other than ABN AMRO Bank, to the Asset Purchaser provided that the Borrower grants security over the Mortgaged Asset for the debt resulting from the Mortgage Loan, including any Further Advances resulting from this 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) ("**Borrower Pledges**"). 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.

Part of the mortgage deeds relating to the Mortgage Loans provide that in case of assignment or pledge of the claim for which the Bank Security Right is vested to a third party, such third party will have the benefit of a (*pro rata*) part of the Bank Security Right as an ancillary right. This stipulation is a clear indication of the intentions of the parties in this respect. The Issuer has been advised that, in the absence of circumstances giving an indication to the contrary, the inclusion of these provisions in the Mortgage Loans makes clear that the Bank Security Right (partially) follows the Mortgage Receivable as accessory and ancillary right upon its assignment or pledge, but there is no case law explicitly supporting this advice.

The remaining part of mortgage deeds of the Mortgage Loans of the Sellers do not contain any explicit provision on the issue whether the Bank Security Right follows the receivable upon its assignment. In these cases there is no clear indication of the intention of the parties. The Issuer has been advised that in such a case the Bank Security Right 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.

The preceding paragraphs apply *mutatis mutandis* in the case of the pledge of the Mortgage Receivables by the Asset Purchaser to the Security Trustee under the Asset Purchaser Receivables Pledge Agreement.

Furthermore, it is noted that if the Asset Purchaser or the Security Trustee, as the case may be, does not have the benefit of the mortgage right, it also will not be entitled to claim under any NHG Guarantee.

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

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

Where 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 Asset Purchaser Mortgage Receivables Purchase Agreement the relevant Seller, the Asset Purchaser and the Security Trustee will agree that the Asset Purchaser and/or the Security Trustee (as applicable) will manage and administer such jointly-held rights. Certain acts, including acts concerning the day-to-day management ("*beheer*") of the jointly-held rights, may under Netherlands law be transacted by each of the participants ("*deelgenoten*") in the jointly-held rights. Certain other acts must be transacted by all of the participants acting together in order to bind the jointly-held rights. It is uncertain whether the foreclosure of the mortgage rights 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, the Asset Purchaser and/or the Security Trustee (as applicable) will agree that in case of foreclosure the share ("*aandeel*") in each jointly-held mortgage right of the Security Trustee and/or the Asset Purchaser will be equal to the Outstanding Principal Amount of the Mortgage Receivable, increased with interest and costs, if any, and the share of the relevant Seller will be equal to the Net Proceeds less the Outstanding Principal Amount, increased with interest and costs, if any. The Issuer has been advised that a good argument can be made that this arrangement will be enforceable against the relevant Seller or, in case of its bankruptcy, (preliminary) suspension of payments or emergency regulations, its trustee ("*curator*") or administrator ("*bewindvoerder*"), as the case may be, but that this is not certain. Furthermore, it is noted that this arrangement may not be effective against the Borrowers.

ABN AMRO Bank 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 Asset Purchaser and the Security Trustee. Such pledge (if vested) will secure the claim of the Asset Purchaser and/or the Security Trustee on the relevant Seller created for this purpose equal to the share of the relevant Seller in the foreclosure proceeds in relation to a defaulted Borrower, which claim becomes due and payable upon a default of the relevant Borrower. In addition, each Seller, other than ABN AMRO Bank, will represent and warrant on each Mortgage Purchase Date that they do not have any Other Claims granted on any Borrower, other than a Further Advance, that are secured by the Mortgage.

The Asset Purchaser is granted a second right of pledge together with certain other parties over the balance of the Seller Collection Account of ABN AMRO Hypotheken Groep, to which also the collections of WoonNexxt Hypotheken are made. The above paragraph applies *mutatis mutandis* in respect of such jointly held second right of pledge, except that such right of pledge will, pursuant to the relevant pledge agreement, be exercised by the pledgees jointly (see paragraph *Cash Collection Arrangements in Credit Structure*).

**Risk related to possible jointly-held security rights of the Asset Purchaser and The Royal Bank of Scotland N.V.**

With respect to part of the Relevant Mortgage Receivables sold and assigned by ABN AMRO Bank to the Asset Purchaser, the following is noted. ABN AMRO Bank has demerged from The Royal Bank of Scotland N.V. (previously named ABN AMRO Bank N.V. ("*RBS N.V.*") (the "*Legal Demerger*"). As part of the Legal Demerger, receivables originated by RBS N.V. (which includes Relevant Mortgage Receivables) have transferred to ABN AMRO Bank (the "*Demerger Receivables*"). The Asset Purchaser has been advised that if the entire contractual relationship pertaining to the relevant Borrower is included in full in the Legal Demerger, a good argument can be made that the relevant Bank Security Rights have followed the Demerger Receivables as part of the Legal Demerger, in which case the Bank Security Rights would not be jointly held by RBS N.V. and the Asset Purchaser and/or the Security Trustee (and, if

applicable, ABN AMRO Bank). ABN AMRO Bank has represented and warranted in the Asset Purchaser Mortgage Receivables Purchase Agreement in relation to each Relevant Mortgage Receivable, which was included in the Legal Demerger, that the entire contractual relationship pertaining to the relevant Borrower is included in full in the Legal Demerger. It is possible that if RBS N.V. were to grant new loans to Borrowers under the Relevant Mortgage Loans, the relevant Bank Security Rights will be jointly-held security rights (as described in the above risk factor *Risk related to jointly-held Bank Security Rights by the Seller, the Asset Purchaser and the Security Trustee*) by RBS N.V. and the Asset Purchaser and/or the Security Trustee and, if applicable, ABN AMRO Bank. ABN AMRO Bank has informed the Asset Purchaser that under a security rights agreement entered into on or around the date of the Legal Demerger, RBS N.V. has undertaken vis-à-vis ABN AMRO Bank and certain other parties, but not vis-à-vis the Asset Purchaser, that it will not in any way whatsoever use the security rights pertaining to the Demerger Receivables as security to secure any loans granted by it to ensure that ABN AMRO Bank will enjoy the full benefit of such security rights following the Legal Demerger. If any Bank Security Rights would be jointly-held by RBS N.V. and the Asset Purchaser and/or the Security Trustee and, if applicable, ABN AMRO Bank, this may affect the Asset Purchaser's proceeds in case of enforcement of the relevant Bank Security Rights which could lead to losses under the IC Loans and, therefore, to losses under the Notes.

#### **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 (2) consecutive years or seriously breaches other obligations under the long lease. In case the long lease ends, the landowner will have the obligation to compensate the leaseholder. In such event the mortgage right will, by operation of law, be replaced by a right of pledge on the claim of the (former) leaseholder on the landowner for such compensation. The amount of the compensation will, *inter alia*, be determined by the conditions of the long lease and may be less than the market value of the long lease.

When underwriting a Mortgage Loan to be secured by a Mortgage on a long lease the relevant Sellers will take into consideration the conditions, including the term, of the long lease. The general terms and conditions used by each Seller provide that the Relevant Mortgage Loans become immediately due and payable in the event that, *inter alia*, (i) the leaseholder has not paid the remuneration, (ii) the leaseholder seriously breaches any obligation under the long lease or (iii) the long lease is dissolved or terminated.

#### **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 Asset Purchaser having been made. Such amounts due and payable by a Seller to a Borrower could, *inter alia*, result from current account balances or deposits, including, in respect of Bank Savings Mortgage Loans, the Bank Savings Account balances of a Borrower held with ABN AMRO Hypotheken Groep, or from services rendered by a Seller to the Borrower, such as investment advice or investment management services rendered by such Seller or for which such Seller is responsible or liable. Each Seller, other than ABN AMRO Bank will represent and warrant on each Mortgage Purchase Date 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 and, with respect to ABN AMRO Hypotheken Groep only, Bank Savings Deposits. As a result of the set-off of amounts due and payable by a Seller to the Borrower with amounts the Borrower owes in respect of the Relevant Mortgage Receivable, the Relevant Mortgage Receivable will, partially or fully, be extinguished ("*gaat teniet*"). Set-off by Borrowers could thus lead to losses under the 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 Asset Purchaser (and pledge to the Security Trustee) and notification thereof to a Borrower, such Borrower will also have set-off rights vis-à-vis the Asset Purchaser (and/or the Security Trustee), provided that the legal requirements for set-off are met (see above), and further provided that (i) the counterclaim of the Borrower results from the same legal relationship as the relevant Mortgage Receivable, or (ii) the counterclaim of the Borrower has been originated ("*opgekomen*") and has become due and payable ("*opeisbaar*") prior to the assignment (or pledge, in respect of the Security Trustee) of the Mortgage Receivable and notification thereof to the relevant Borrower. The question whether a court will come to the conclusion that the 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). A balance on a current account is due and payable at any time and, therefore, this requirement will be met. In the case of deposits it will depend on the term of the deposit whether the balance thereof will be due and payable at the moment of notification of the assignment. The same applies in the case of a balance on a Bank Savings Account. The Issuer has been informed by ABN AMRO Bank and ABN AMRO Hypotheken Groep in their respective capacities as Sellers that a balance on a deposit account and a Bank Savings Account with it can, in principle, be withdrawn at any time unless agreed otherwise and, consequently, such balance is due and payable ("*opeisbaar*") at any time. If after the moment the Borrower receives notification of the assignment of the Mortgage Receivable, amounts are debited from or credited to the current account, the deposit account or, as the case may be, the Bank Savings Account, the Borrower will only be able to set-off its claim vis-à-vis the Asset Purchaser for the amount of its claim at the moment such notification has been received after deduction of amounts which have been debited from the current account, the deposit account or the Bank Savings Account after such moment, notwithstanding that amounts may have been credited.

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

The Asset Purchaser Mortgage Receivables Purchase Agreement provides that if a Borrower sets off amounts due to it by the relevant Seller against the Relevant Mortgage Receivable and, as a consequence thereof, the Asset Purchaser does not receive the amount which it is entitled to receive in respect of such Mortgage Receivable, the relevant Seller will pay to the Asset Purchaser an amount equal to the difference between the amount which the Asset Purchaser would have received in respect of the relevant Mortgage Receivable if no set-off had taken place and the amount actually received by the Asset Purchaser in respect of such Mortgage Receivable. In addition, the Asset Purchaser Mortgage Receivables Purchase Agreement provides that if the credit ratings assigned by the Rating Agencies to ABN AMRO Bank 's unsecured, unsubordinated and unguaranteed debt obligations fall below certain levels, ABN AMRO Bank shall transfer an amount equal to the aggregate amount of deposits held by the Borrowers on any savings or current accounts held with ABN AMRO Bank (excluding Construction Amounts) to an escrow account (see further *Mortgage Receivables Purchase Agreement below*). If the above provisions in the Asset Purchaser Mortgage Receivables Purchase Agreement would not be enforceable vis-à-vis the relevant Seller or the amount in respect of which a Borrower invokes a right of set-off exceeds the amounts deposited in the escrow account and a Borrower invokes set-off, such set-off could lead to losses under the IC Loans and, therefore, to losses under the Notes.

In order to mitigate the set-off risk in respect of Bank Savings Mortgage Loans, Asset Purchaser Bank Savings Sub-participation Agreement has been entered into by the Asset Purchaser with ABN AMRO Hypotheken Groep. Therefore, normally the Asset Purchaser will not suffer any damages if the Borrower would invoke set-off, if and to the

extent the amount for which the Borrower would invoke set-off does not exceed the amount of the relevant Bank Savings Participation. The amount for which the Borrower can invoke set-off may, depending on the circumstances involved, exceed the amount of the relevant Bank Savings Participation.

For specific set-off issues relating to the Hybrid Insurance Policies, Life Insurance Policies or, as the case may be, Savings Insurance Policies connected to the Mortgage Loans, reference is made to the paragraph *Risk of set-off or defences in case of insolvency of Insurance Companies* below.

#### **Risk of set-off or defences in case of Mortgage Receivables resulting from Bank Savings Mortgage Loans**

Each Bank Savings Mortgage Loan has the benefit of the balances standing to the credit of the Bank Savings Account which is held with ABN AMRO Hypotheken Groep. In respect of the relevant Bank Savings Account balances, the intention is that at the maturity of the relevant Bank Savings Mortgage Loans, such balances will be used to repay the relevant Mortgage Receivable, whether in full or in part. If ABN AMRO Hypotheken Groep is no longer able to meet its obligations in respect of the relevant Bank Savings Account, for example as a result of bankruptcy, this could result in the balance standing to the credit of the relevant Bank Savings Account either not, or only partly, being available for application in reduction of the Mortgage Receivable resulting from the relevant Bank Savings Mortgage Loan. This may lead to the Borrower trying to invoke set-off rights and defences against the relevant Seller, the Asset Purchaser or the Security Trustee, as the case may be, which may have the result that the Mortgage Receivables will be, fully or partially, extinguished ("*tenietgaan*") or cannot be recovered for other reasons, which could lead to losses under the Notes.

To the extent the Bank Savings Mortgage Loans have been originated by ABN AMRO Hypotheken Groep as Seller, if the conditions for set-off by Borrowers have been met (see *Set-off by Borrowers may affect the proceeds under the Mortgage Receivables*) each Borrower under such Bank Savings Mortgage Loan will be entitled to set off amounts due by the relevant Seller under the Bank Savings Deposit with the Bank Savings Mortgage Receivable. In respect of Bank Savings Mortgage Loans originated by any Seller other than ABN AMRO Hypotheken Groep, Borrowers may invoke defences similar to those described in *Risk of set-off or defences in case of insolvency of Insurance Companies*. To mitigate this risk with respect to Bank Savings Mortgage Loans originated by any Seller other than ABN AMRO Hypotheken Groep, the Asset Purchaser Bank Savings Sub-Participation Agreement has been entered into between the Asset Purchaser, the Security Trustee and ABN AMRO Hypotheken Groep (see also *Asset Purchaser Sub-Participation Agreements* below). Therefore, normally the Asset Purchaser would not suffer any damages if the Borrower would invoke any such right of set-off or defences, if and to the extent that the amount for which the Borrower would invoke set-off or defence does not exceed the amount of the relevant Bank Savings Participation. The amount for which the Borrower can invoke set-off or defences may, depending on the circumstances, exceed the amount of the relevant Bank Savings Participation.

#### **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 ("*afkoopson*"), 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 (debt rescheduling scheme) or is subject to emergency regulations, prior to the moment such right comes into existence. This means that it is uncertain whether such pledge will be effective. The same applies to any rights of pledge on the rights of the relevant Borrower in connection with the Bank Savings Accounts (the "**Borrower Bank Savings Deposit Pledge**"). Furthermore, even if the Borrower Insurance Pledge would be effective, as the pledge secures the same liabilities as the Bank Mortgages (and therefore should be regarded as "bank pledges") or the Credit Mortgages (and should therefore be regarded as "credit pledges"), reference is made to *Risk that the Bank Security Rights will not follow the Mortgage Receivables upon assignment to the Asset Purchaser*.

#### **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 Asset Purchaser or the Security Trustee. The Beneficiary Rights will be assigned by each Seller to the Asset Purchaser and will be pledged to the Security Trustee by the Asset Purchaser (see *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 of the Sellers, the Asset Purchaser, the Savings Participants and the Security Trustee have each entered into a beneficiary waiver agreement (the '**Asset Purchaser Beneficiary Waiver Agreement**') under which each of the relevant Seller or Sellers, subject to the condition precedent of the occurrence of an Asset Purchaser Assignment Notification Event waives its rights as beneficiary under the Insurance Policies and appoints as first beneficiary (i) the Asset Purchaser subject to the dissolving condition of the occurrence of an Asset Purchaser Pledge Notification Event relating to the Asset Purchaser and (ii) the Security Trustee under the condition precedent of the occurrence of an Asset Purchaser Pledge Notification Event relating to the Asset Purchaser. It is, however, uncertain whether such waiver and 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 or Sellers and the relevant Savings Participants will undertake in the 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 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 Savings Participants will undertake in the Asset Purchaser Beneficiary Waiver Agreement following an Asset Purchaser Assignment Notification Event to use their best efforts to withdraw the Borrower Insurance Proceeds Instruction in favour of the relevant Seller and to issue the Borrower Insurance Proceeds Instruction in favour of (i) the Asset Purchaser subject to the dissolving condition of the occurrence of an Asset Purchaser Pledge Notification Event 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. A similar best efforts obligation applies to the Sellers in respect of the Insurance Policies taken out with any Insurance Companies, other than the Savings Participants. The termination and appointment of a beneficiary under the Insurance Policies and the withdrawal and the issue of the Borrower Insurance Proceeds Instruction will require the co-operation of all relevant parties involved. It is uncertain whether such co-operation will be forthcoming.

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

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

The Hybrid Mortgage Loans have the benefit of Hybrid Insurance Policies, the Life Mortgage Loans have the benefit of Life Insurance Policies and the Savings Mortgage Loans have the benefit of Savings Insurance Policies. The intention of the Insurance Policies is that at maturity of the relevant Mortgage Loan, the proceeds of such insurance policies can be used to repay the relevant Mortgage Loan, whether in full or in part. If any of the Insurance Companies is no longer able to meet its obligations under the Insurance Policies, for example as a result of bankruptcy or having become subject to emergency regulations, this could result in the amounts payable under the Insurance Policies either not, or only partly, being available for application in reduction of the relevant Mortgage Receivables. This may lead to the Borrowers trying to invoke set-off rights and defences which may have the result that the Mortgage Receivables

will be, fully or partially, extinguished ("*teniet gaan*") or cannot be recovered for other reasons, which could lead to losses under the 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, some of 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 relevant Borrowers will in order to invoke a right of set-off, need to comply with the applicable legal requirements for set-off.

One of these requirements is that the Borrower should have a claim, which corresponds to 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 invoke a right of set-off, the Borrowers would have to establish that the relevant Seller and the relevant Insurance Company should be regarded as one legal entity or, possibly, based upon interpretation of case law, that set-off is allowed, even if the relevant Seller and the relevant Insurance Company are not considered as one legal entity, since the Insurance Policies and the Relevant Mortgage Loans might be regarded as one inter-related legal relationship.

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

Set-off vis-à-vis the 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 it is unlikely that a Mortgage Loan originated by ABN AMRO Bank, ABN AMRO Hypotheken Groep or Moneyou and the Life Insurance Policy connected thereto should be regarded as one legal relationship in view of the facts and circumstances set forth below. However, in view of the facts stated above, the Issuer has been advised that a Savings Mortgage Loan and the Savings Insurance Policy connected thereto and a Hybrid Mortgage Loan and the Hybrid Insurance Policy connected thereto are likely to be regarded as one legal relationship. If the Mortgage Loans and the Insurance Policy are regarded as one legal relationship, the assignment will not interfere with the set-off.

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

#### *Life Mortgage Loans*

In respect of Life Mortgage Loans originated by any of ABN AMRO, ABN AMRO Hypotheken Groep and MoneYou, the Issuer has been advised that it is unlikely that a court would honour set-off or defences of the Borrowers, in view of the preceding paragraphs and the representation by each of ABN AMRO, ABN AMRO Hypotheken Groep and MoneYou that with respect to Life Mortgage Loans (i) the Life Mortgage Loans and the Life Insurance Policies have not been offered as one combined mortgage and life insurance product or under one name, (ii) the Borrowers are free to choose the relevant Life Insurance Company and (iii) the relevant Life Insurance Company is not a group company of the relevant Seller within the meaning of Section 2:24b NCC. With respect to Life Mortgage Loans originated by any other Seller, the Issuer has been advised that the risk of such set-off or defences being successful will depend on all factual circumstances involved, such as the specific wording of the relevant mortgage deed of such Seller and on the manner in which such Life Mortgage Loans and the Life Insurance Policies connected thereto have been offered to the Borrowers.

#### *Savings Mortgage Loans and Hybrid Mortgage Loans*

In respect of Savings Mortgage Loans and Hybrid Mortgage Loans the Issuer has been advised that there is a considerable risk ("*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 Loan and the Hybrid Mortgage Loan on the one hand and the Savings Insurance Policy and the Hybrid Insurance Policy on the other hand. The Asset Purchaser Savings Sub-Participation Agreements are entered into to mitigate this risk. The Asset Purchaser Savings 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 Savings Sub-Participation Agreements do not apply to these Hybrid Mortgage Loans.

In respect of the Savings Mortgage Loans and the Hybrid Mortgage Loans with the Savings Alternative ("**Hybrid Savings Mortgage Loans**"), Asset Purchaser Savings Sub-participation Agreements have been entered into with the relevant Savings Participants. Each Asset Purchaser Savings 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 Mortgage Receivable resulting from the Hybrid Savings Mortgage Loan ("**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 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 Savings Participation of the relevant Savings Participant will be reduced by an amount equal to the amount which the Asset Purchaser has failed to receive. The amount of the Savings Participation is equal to the amount of Savings Premia received by the Asset Purchaser plus the accrued yield on such amount (see *Asset Purchaser Sub-participation Agreements* below), provided that each Savings Participant will have paid all amounts due under the relevant Asset Purchaser Savings Sub-participation Agreement to the Asset Purchaser. Therefore, normally the Asset Purchaser would not suffer any damages if the Borrower would assert any such right of set-off or defence, if and to the extent that the amount for which the Borrower would assert set-off or defences does not exceed the amount of the Savings Participation. The amount for which the Borrower can assert set-off or defences may, depending on the circumstances, exceed the amount of the Savings Participation.

#### *Insolvency of ABN AMRO Bank*

In respect of certain Hybrid Insurance Policies connected to Hybrid Savings Mortgage Loans, and the Savings Insurance Policies the specific wording used in the relevant Insurance Policies is relevant for the situation that ABN AMRO Bank would become insolvent. Certain conditions applicable to the Hybrid Insurance Policies and Savings Insurance Policies provide that in case of bankruptcy or emergency regulations involving ABN AMRO Bank, the relevant Savings Insurance Company has the right to apply the amount invested on the account of the relevant Savings Insurance Company held with ABN AMRO Bank in respect of the Hybrid Insurance Policies and/or Savings Insurance Policies (the "**Deposit Account**"), respectively, on behalf of the relevant Borrower as (partial) repayment of



the Relevant Mortgage Loan to ABN AMRO Bank. Furthermore, it is provided that the relevant Savings Insurance Company will in such event be released from their obligations under the Hybrid Insurance Policies and/or Savings Insurance Policies up to the amount so paid. It is uncertain whether this set-off arrangement is enforceable. However, if this clause is effective, upon the exercise of the right granted therein by the relevant Savings Insurance Company, the Mortgage Receivable will be reduced by the amount of the deposit on the Deposit Account, respectively, the Asset Purchaser will suffer damages up to an amount equal to the amount by which the Mortgage Receivables are reduced in case the relevant Savings Insurance Company invokes its set-off rights. This risk is mitigated by the Asset Purchaser Savings Sub-Participation Agreements, as described above. If the amount in respect of which the relevant Savings Insurance Company invokes its right to apply amounts standing to the credit of the Deposit Account on behalf of the Borrower/insured as repayment of the relevant Savings Mortgage Receivable or Hybrid Savings Mortgage Receivable exceeds the amounts of the Savings Participation, such set-off could lead to losses under the IC Loans and, therefore, to losses under the Notes.

#### *Insolvency of ABN AMRO Hypotheken Groep*

In respect of certain Savings Mortgage Loans originated by ABN AMRO Hypotheken Groep, the specific wording used in the relevant Mortgage Conditions is relevant for the situation that ABN AMRO Hypotheken Groep would become insolvent. Certain Mortgage Conditions of Savings Mortgage Loans provide that if and to the extent that (part of) the Savings Mortgage Receivable is assigned to the relevant Savings Insurance Company, in case of termination of the relevant Savings Insurance Policy, the relevant Savings Insurance Company is entitled to set off the commutation payment by the relevant Insurance Policy against the part of the relevant Savings Mortgage Receivable that has been transferred to the relevant Savings Insurance Company. Furthermore, these Mortgage Conditions provide that if and to the extent that (i) the Savings Insurance Company has deposited the Savings Premia with ABN AMRO Hypotheken Groep and (ii) ABN AMRO Hypotheken Groep is unable to repay such deposit amounts to the relevant Savings Insurance Company, the relevant Savings Insurance Company is entitled to deduct such amounts unpaid by ABN AMRO Hypotheken Groep from any sums payable by it to the relevant Borrower under the relevant Savings Insurance Policy. The relevant Mortgage Conditions do not provide whether the relevant Borrower is discharged from its corresponding payment obligations vis-à-vis ABN AMRO Hypotheken Groep or the Asset Purchaser under the relevant Savings Mortgage Receivable. However, there is a considerable risk that the Borrower will in such event successfully invoke a right of set-off or another defense against the Asset Purchaser for the amount not received from the Savings Insurance Company. This risk will not materialise with respect to Savings Mortgage Receivables which are subject to a Savings Participation, since the relevant savings premia are deposited with the Asset Purchaser under the relevant Asset Purchaser Savings Sub-participation Agreement.

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

The Sellers have represented that under the Investment Mortgage Loans the securities are purchased by a bankruptcy remote securities giro ("*effectengiro*"), a bank or an investment firm ("*beleggingsonderneming*") for the account of the Borrowers and that these securities are held in custody by an admitted institution of Euroclear Netherlands if these securities qualify as securities as defined in the Dutch Securities Giro Transfer Act ("*Wet giraal effectenverkeer*") or, if they do not qualify as such, by a separate depository vehicle. The Issuer has been advised that on the basis of this representation the relevant investments should be effectuated on a bankruptcy remote basis and that, in respect of these investments, the risk of set-off or defences by the Borrowers should not become relevant in this respect. However, if this is not the case and the investments were to be lost, this may lead to the Borrowers trying to invoke set-off rights or defences against the Asset Purchaser on similar grounds as discussed under *Risk of Set-off and defences by Borrowers in case of insolvency of Insurance Companies*.

#### **Risk related to the value of investments under Investment Mortgage Loans**

The value of investments made under the Investment Mortgage Loans or by one of the Insurance Companies in connection with the Life Insurance Policies or Hybrid Insurance Policies, may not be sufficient for the Borrower to fully redeem the related Mortgage Receivables at its maturity.

#### **Risks related to offering of Investment Mortgage Loans, Hybrid Mortgage Loans and Life Mortgage Loans**

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 Mortgage Loans to which Hybrid Insurance Policies are connected and Life Mortgage Loans. In addition, several codes of

conduct apply on a voluntary basis. On the basis of these provisions offerors of these products (and intermediaries) have a duty, *inter alia*, to provide the customers with accurate, complete and non-misleading information about the product, the costs and the risks involved. These requirements have become more strict over time. A breach of these requirements may lead to a claim for damages from the customer on the basis of breach of contract or tort or the relevant contract may be dissolved ("*ontbonden*") or nullified ("*vernietigen*") or a Borrower may claim set-off or defences against the relevant Seller or the Asset Purchaser (or the Security Trustee). The merits of such claims will, to a large extent, depend on the manner in which the product was marketed and the promotional material and offer letters ("*offertes*") provided to the Borrower. Depending on the relationship between the offeror and any intermediary involved in the marketing and sale of the product, the offeror may be liable for actions of the intermediaries which have led to a claim. The risk of such claims being made increases, if the value of investments made under Investment Mortgage Loans, Hybrid Insurance Policies or Life Insurance Policies is not sufficient to redeem the relevant Mortgage Loans.

Since 2006, an issue has arisen in the Netherlands regarding the costs of investment insurance policies ("*beleggingsverzekeringen*"), such as the Life Insurance Policies or Hybrid Insurance Policies, commonly known as the "usury insurance policy affair" ("*woekerpolisaffaire*"). It is generally alleged that the costs of these products are disproportionately high, that in some cases a legal basis for such costs is lacking and that the information provided to the insured regarding these costs has not been transparent. On this topic there have been (i) several reports, including reports from the AFM, (ii) a letter from the Minister of Finance to Parliament and (iii) a recommendation, at the request of the Minister of Finance, by the Financial Services Ombudsman to insurers to compensate customers of investment insurance policies for costs exceeding a certain level. Furthermore, there have been press articles stating (i) that individual law suits and class actions may be, and have been, started against individual insurers and (ii) that certain individual insurers have reached agreement with claimant organisations on compensation of its customers for the costs of investment insurance policies entered into with the relevant insurer. The discussion on the costs of the investment insurance policies is currently still continuing, since consumer tv-shows and "no-win, no fee" legal advisors argue that the agreements reached with claimant organisations do not offer adequate compensation. Rulings of courts and the Complaint Institute for Financial Services ("*Klachteninstituut Financiële Dienstverlening*") have been published, some of which are still subject to appeal, which were generally favourable for the insured.

If 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 Purchaser. The analysis in that situation is similar to the situation in case of insolvency of the insurer (see *Risk of set-off and defences by Borrowers in case of insolvency of Insurance Companies*), except if the relevant Seller is itself liable, whether jointly with the insurer or separately, vis-à-vis the Borrower/insured. In this situation, which may depend on the involvement of the relevant Seller in the marketing and sale of the insurance policy, set-off or defences against the Asset Purchaser could be invoked, which will probably only become relevant if the insurer and/or the relevant Seller will not indemnify the Borrower. Any such set-off or defences may lead to losses under the Notes.

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

Pursuant to the Mortgage Conditions, the Borrowers have the right to request or are obliged to withhold on deposit part of a Mortgage Loan to be paid out for the building or improvements of the Mortgaged Assets (together with accrued interest, the "**Construction Amount**"). The Construction Amounts will be paid out in case certain conditions are met. 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 a construction account (the "**Asset Purchaser Construction Account**").

Pursuant to the Mortgage Conditions, Construction Amounts have to be paid out within 18 months, unless otherwise agreed. Upon the expiry of such period or earlier if so agreed between the relevant Seller and the Borrower, the remaining Construction Amount will be set-off against the Relevant Mortgage Receivable up to the amount of the Construction Amount and consequently any remaining part of the amounts of the Asset Purchaser Construction

Account will be used for redemption of the Relevant Mortgage Loan. Pursuant to the conditions of the Mortgage Loans taken out with ABN AMRO Bank, ABN AMRO Hypotheken Groep, WoonNexxt Hypotheken and MoneYou if the Construction Amount is less than EUR 2,500, the relevant Seller will pay out the remaining amount to the Borrower.

If an Asset Purchaser Assignment Notification event set out under (e) (see *Asset Purchaser Mortgage Receivables Purchase Agreement*) has occurred, the relevant Asst Purchaser will no longer be under the obligation to pay such remaining part of the 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 (preliminary) suspension of payments or emergency regulations.

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

Part of the Mortgage Receivables sold and assigned by ABN AMRO Bank to the Asset Purchaser relate to Mortgage Loans originated by RBS N.V. and transferred by way of Legal Demerger to ABN AMRO Bank. The Issuer has been advised that it is not certain whether any Further Advances granted, or to be granted, by ABN AMRO Bank after the Legal Demerger are validly secured by the mortgage right and borrower pledges vested in favour of RBS N.V., being the original lender. The risk that a Further Advance is not validly secured by a mortgage right and borrower pledge is mitigated by ABN AMRO Bank's undertaking in the Asset Purchaser Mortgage Receivables Purchase Agreement that it shall procure that any Further Advance granted by it to a Borrower of any Relevant Mortgage Receivables originated by RBS N.V. will be secured by a lower ranking mortgage right granted in favour of ABN AMRO Bank.

If it would be established that a Further Advance Receivable is not validly secured by a mortgage right, this constitutes a breach of the representations and warranties granted by the relevant Seller, resulting in an obligation of the relevant Seller to repurchase the relevant Further Advance Receivable. If a Further Advance Receivable is not validly secured by a mortgage right, this could affect the ability of the Asset Purchaser to recover the Outstanding Principal Amount of such 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 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 Asset Purchaser and the pledge to the Security Trustee. However, in the absence of case law or legal literature this is not certain. To the extent the interest rate reset right passes upon the assignment of the Mortgage Receivables to the Asset Purchaser or upon the pledge of the Mortgage Receivables to the Security Trustee, such assignee or pledgee will be bound by the contractual provisions relating to the reset of interest rates. If the interest reset right remains with the relevant Seller, the co-operation of the 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 Asset Purchaser in connection with the Mortgage Loans.

#### **Risks related to NHG Guarantees**

All Mortgage Loans will have the benefit of a NHG Guarantee. Pursuant to the terms and conditions ("*voorwaarden en normen*") applicable to the NHG Guarantee, the WEW has no obligation to pay any loss (in whole or in part) incurred by a lender after a private or a forced sale of the mortgaged property if such lender has not complied with the terms and conditions of the NHG Guarantee. Each Seller will in the Asset Purchaser Mortgage Receivables Purchase Agreement represent and warrant that (i) each NHG Guarantee, connected to the Relevant Mortgage Loan was granted for the full Outstanding Principal Amount of the Relevant Mortgage Loan at origination and constitutes legal, valid and binding obligations of the WEW, enforceable in accordance with their terms, (ii) all terms and conditions ("*voorwaarden en normen*") applicable to the NHG Guarantee at the time of origination of the Relevant Mortgage Loans were complied with and (iii) it is not aware of any reason why any claim made in accordance with the requirements pertaining thereto under any NHG Guarantee in respect of the Relevant Mortgage Loan should not be met in full and in a timely manner.

Furthermore, the terms and conditions of the NHG Guarantee stipulate that the NHG Guarantee, will terminate upon expiry of a period of thirty years after the establishment of the NHG Guarantee. Since part of the Mortgage Loans will have a maturity date which falls after the expiry date of the relevant NHG Guarantee, this will result in the Asset Purchaser not being able to claim for payment with the WEW of a loss incurred after the term of the NHG Guarantee, has expired.

Finally, the terms and conditions of the NHG Guarantees stipulate that each NHG Guarantee (irrespective of the type of redemption of the mortgage loan) is reduced on a monthly basis by an amount which is equal to the amount of the monthly repayments plus interest as if the mortgage loan were to be repaid on a thirty year annuity basis. The actual redemption structure of a Mortgage Loan can be different (see *Description of Mortgage Loans*). This may result in the Asset Purchaser not being able to fully recover a loss incurred with the WEW.

See for a description of the NHG Guarantees, *NHG Guarantee Programme*.

#### **Rating of the State of the Netherlands**

The rating assigned to the Notes by the Rating Agencies takes into account the NHG Guarantee granted in connection with each of the Mortgage Loans. The NHG Guarantee is backed by the State of the Netherlands (see *NHG Guarantee Programme*) which is currently rated "AAA" by S&P and "Aaa" by Moody's. Moreover, '*Stichting*

*Waarborgfonds Eigen Woningen* (the "WEW") is rated "Aaa" by Moody's. In the event that (i) the State of the Netherlands ceases to be rated "AAA" by S&P or "Aaa" by Moody's, respectively, or (ii) the WEW ceases to be rated "Aaa" by Moody's, this may result in a review by S&P or Moody's, respectively, of the Notes and could potentially result in a corresponding downgrade of the Notes.

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

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

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

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

Counterparties to the Asset Purchaser may not perform their obligations under the Relevant Asset Purchaser Documents (as defined in the Conditions), which may result in the Asset Purchaser not being able to meet its obligations under the IC Loan Agreement.

### **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 the 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. The Asset Purchaser has outsourced the servicing and administration of the Mortgage Loans to the Pool Servicer. The current Pool Servicer is duly licensed to act as intermediary ("*bemiddelaar*") and offeror ("*aanbieder*") under the Act on Financial Supervision and the Asset Purchaser thus benefits from the exemption. However, if a Asset Purchaser Servicing Agreement is terminated, the Asset Purchaser will need to outsource the servicing and administration of the Mortgage Loans to another licensed entity or it needs to apply for and hold a license itself. In the latter case, the Asset Purchaser will have to comply with the applicable requirements under the Act on Financial Supervision. If the 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 ("*afwickelen*") its existing agreements.

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

There will be a difference between the rate of interest to be received by the Asset Purchaser on the Mortgage Receivables and the rate of interest payable by the Asset Purchaser on the IC Loans. To mitigate this risk, the Asset Purchaser will enter into the Asset Purchaser Cashflow Swap Agreement in respect of the IC Loan Agreement. The Asset Purchaser Swap Counterparty will be obliged to make payments under the 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 Asset Purchaser will equal the full amount that the Asset Purchaser would have received had no such withholding or deduction of taxes been required. The Asset Purchaser 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 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.

The 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 Asset Purchaser Cashflow Swap Agreement, or (iii) an Enforcement Notice is served. Events of default under the Asset Purchaser Cashflow Swap Agreement in relation to the Asset Purchaser will be limited to (i) non-payment under the Asset Purchaser Cashflow Swap Agreement, (ii) a merger or similar transaction with another entity or person without assumption of the Asset Purchaser's obligation under the Asset Purchaser Cashflow Swap Agreement and (iii) certain insolvency events. If any Asset Purchaser does not receive any payments under the Asset Purchaser Cashflow Swap Agreement and/or no new asset purchaser cashflow swap counterparty can be found, the Asset Purchaser will be exposed to a possible mismatch between the rate of interest to be received by the Asset Purchaser on the Mortgage Receivables and the rate of interest payable by the Asset Purchaser on the 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 the IC Loans from the Asset Purchaser**

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

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

In the Programme Agreement the transaction parties have agreed that a direct or indirect subsidiary of ABN AMRO Group N.V. may accede to (some of) the Relevant Documents and become a Seller under the Programme and may therefore sell Mortgage Receivables to the 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 the Asset Purchaser.

The Noteholders will not have any right of prior review or consent before the Issuer enters into any additional IC Loan Agreements with new Asset Purchasers and advance new IC Loans or the corresponding issuance of Notes by the Issuer. Similarly, the terms of the Relevant Asset Purchaser Documents and the criteria for new IC Loans to the 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 ("*schulden*") resulting from legal acts ("*rechtshandelingen*") of each of the Sellers (the "**ABN AMRO Group Subsidiaries**").

The 403-Guarantor will have the right to withdraw any of the 403-Declarations at any time by depositing a declaration to this effect with the Commercial Register of the Chamber of Commerce in Amsterdam. The Issuer has been advised that irrespective of such withdrawal the 403-Guarantor will continue to be jointly and severally liable for all debts incurred by the ABN AMRO Group Subsidiaries resulting from the Asset Purchaser Servicing Agreement. However, in respect of the debts of the Sellers (to the extent applicable) under the Asset Purchaser Mortgage Receivables Purchase Agreement, this is not certain, because any sale and assignment of Relevant Mortgage Receivables under an Asset Purchaser Mortgage Receivables Purchase Agreement could be considered as a new legal act and, to the extent effectuated after withdrawal of the relevant 403-Declaration, may not be covered by the 403-Declaration. Therefore, the withdrawal of the relevant 403-Declaration with respect to any Seller, other than ABN AMRO Bank, will be an Asset Purchaser Assignment Notification Event in respect of the relevant Seller.

The 403-Guarantor can also file a notice of its intention to terminate its remaining liability after withdrawal of any of the 403-Declarations. Such remaining liability will terminate if certain conditions are met, inter alia, that (i) the relevant ABN AMRO Group Subsidiary 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.

Since the 403-Guarantor is a holding company with no significant activities of its own, it would have to look at its operating subsidiaries, including the ABN AMRO Group Subsidiaries, to satisfy a claim brought against it by the Asset Purchaser on the basis of the 403-Declarations.

## **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.

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

Under or pursuant to the Pledge Agreement, various Dutch law pledges will be granted by the Asset Purchaser and the Issuer to the Security Trustee. On the basis of these pledges the Security Trustee can exercise the rights afforded by Netherlands law to pledgees as if there were no bankruptcy or suspension of payments of the Asset Purchaser and the Issuer. The Asset Purchaser and the Issuer are special purpose vehicles and are therefore unlikely to become insolvent. However, any bankruptcy or (preliminary) suspension of payments involving the Asset Purchaser and the Issuer would affect the position of the Security Trustee as pledgee in some respects, the most important of which are: (i) payments made by any Borrower to the Asset Purchaser prior to notification but after bankruptcy or (preliminary) suspension of payments will be part of the bankruptcy estate of the Asset Purchaser, although the Security Trustee has the right to receive such amounts by preference after deduction of certain costs, (ii) a mandatory 'cool-off' period of up to four (4) months may apply in case of bankruptcy or (preliminary) suspension of payments involving the Issuer or the Asset Purchaser, which, if applicable would delay the exercise 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 the Asset Purchaser.

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

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

Under Netherlands law it is uncertain whether a security right can be validly created in favour of a party which is not the creditor of the claim which the security right purports to secure. Consequently, in order to secure the valid creation of the pledges 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) the Asset Purchaser will undertake in the Asset Purchaser Trust Agreement, as separate and independent obligations by way of parallel debt, to pay to the Security Trustee amounts equal to these amounts due by it to the Asset Purchaser Secured Parties. There is no statutory law or case law available on parallel debts such as the Issuer Parallel Debt and the Asset Purchaser Parallel Debt and the

question whether a parallel debt constitutes a valid basis for the creation of security rights, such as rights of pledge. However, the Issuer has been advised that a parallel debt, such as the Issuer Parallel Debt and the Asset Purchaser Parallel Debt, create claims of the Security Trustee thereunder which can be validly secured by a right of pledge such as the rights of pledge created by the Issuer Assets Pledge Agreement and the 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 Debt and any proceeds received by the Security Trustee are in the case of an insolvency of the Security Trustee not separated from the Security Trustee's other assets, 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 Purchaser and repayments of principal and payments of interest by the Asset Purchaser to the Issuer will be in Euro. To hedge the currency exchange and 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 Counterparty specified in the Final Terms (see *Credit Structure Issuer*).

An Issuer Currency Swap Counterparty will be obliged to make payments under the relevant Issuer Currency Swap Agreement without any withholding or deduction of taxes unless required by law. If any such withholding or deduction is required by law, the relevant Issuer Currency Swap Counterparty will be required to pay such additional amount as is necessary to ensure that the net amount actually received by the Issuer will equal the full amount that the Issuer would have received had no such withholding or deduction been required. The relevant Issuer Currency Swap Agreement will provide, however, that if a Tax Event occurs, the Issuer 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 (and no replacement Issuer Currency Swap Counterparty is found), the Issuer will be exposed to changes in the exchange rates between Euro and the currency in which such Notes are denominated. 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 Asset Purchaser, the Sellers, the Security Trustee, the Dealers, the Pool Servicer, the Issuer Administrator, the Asset Purchaser Administrator, the Insurance Companies, the Issuer GIC Provider, the Asset Purchaser GIC Provider, the Savings Participants, the Bank Savings Participant, the Asset Purchaser Cashflow Swap Counterparty, any Issuer Currency Swap Counterparty, the Paying Agent and the Reference Agent or any other person in whatever capacity acting, will accept any liability whatsoever to Noteholders in respect of any failure by the Issuer to pay any amounts due under the Notes. None of the Asset Purchaser, the Sellers, the Security Trustee, the Dealers, the Pool Servicer, the Issuer Administrator, the Asset Purchaser Administrator, the Insurance Companies, the Issuer GIC Provider, the Asset Purchaser GIC Provider, the Savings Participants, the Bank Savings Participant, any Asset Purchaser Cashflow Swap Counterparty, any Issuer Currency Swap Counterparty, the Paying Agent and the Reference Agent will be under any obligation whatsoever to provide additional funds to the Issuer, save in the limited circumstances described in the *Credit Structure Asset Purchaser* and *Credit Structure Issuer*.

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

### **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 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.

### **Changes to tax treatment of interest may impose various risks**

The Netherlands tax system allows borrowers to deduct all mortgage interest payments for owner-occupied residences from their taxable income. There is currently a tendency within certain political parties in the Netherlands to end (part of) the favourable tax treatment of mortgage debts or to introduce other changes to the tax treatment of such residences or the funding thereof that may affect the value of the tax deduction of mortgage interest payments (hereinafter: '*changes in tax treatment*'). It is not clear whether such changes in tax treatment will be effected in the future. Changes in tax treatment could ultimately have an adverse impact on the ability of Borrowers to pay interest and principal on their Mortgage Loans. In addition, changes in tax treatment may lead to increased (or decreased) prepayments by Borrowers on their Mortgage Loans. Finally, changes in tax treatment may have an adverse effect on the value of the Mortgaged Assets.

### **EU Council Directive on taxation of savings income**

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

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

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

### **Tax consequences of holding the Notes**

Potential investors should consider the tax consequences of investing in the Notes and consult their tax advisor about their own tax situation.

### **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. In the Issuer Trust Deed, the Issuer has undertaken vis-à-vis the Security Trustee to use its best efforts to redeem each Note on the Step-Up Date of such Note with the issue of new notes for such purpose. Furthermore, the Asset Purchaser has a best efforts obligation on the Step-Up Date and on each Note Payment Date thereafter to repay a *pro rata* part of the relevant IC Loan and, for this purpose, to sell and assign Mortgage Receivables.

### **Notes Clean-up Call Option, Programme Clean-up Call Option, Tax Call Option and Regulatory Call Option**

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

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

To the extent set forth in Condition 9, (a) all Class B Notes, Class C Notes and Class D Notes are subordinated in right of payment to all Class A Notes, (b) all Class C Notes and Class D Notes are subordinated in right of payment to all Class A Notes and Class B Notes and (c) all Class D Notes are subordinated in right of payment to all Class A Notes, Class B Notes and Class C Notes (all Class B Notes, Class C Notes and Class D 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 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 the Asset Purchaser under the IC Loans, 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 or a Class D Note may be redeemed with a Class B Principal Shortfall, a Class C Principal Shortfall or a Class D Principal Shortfall respectively. As a consequence a holder of a Class B Note, a Class C Note or a Class D 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 D 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 that (A) each Rating Agency has provided a Rating Agency Confirmation in respect of such change, or (B), in respect of Moody's only, by the 15th calendar day after Moody's was notified of such change, it has not indicated (i) which further information it needs to receive before it is in a position to grant a Rating Agency Confirmation or (ii) that the then current rating assigned by it to any of the Notes will be downgraded below the Minimum Ratings or, if the then current ratings are below the Minimum Ratings, that the then current ratings will be adversely affected, whereby "**Rating Agency Confirmation**" means if a Rating Agency is notified by the Security Trustee, or a third party on behalf of the Security trustee, of a certain event or matter, a written confirmation from such Rating Agency that the then current rating assigned by it to any of the Notes will not be downgraded below the Minimum Ratings or, if the then current ratings are below the Minimum Ratings, that the then current ratings will not be adversely affected;

### **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 (or England and Wales) in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible change to the laws of the Netherlands (or England and Wales) or administrative practice in the Netherlands (or England and Wales) after the date of this Base Prospectus.

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

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

### **Credit ratings may not reflect all risks**

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

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

A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation if in its judgement, the circumstances (including a reduction in the credit rating of the Issuer GIC Provider, the Asset Purchaser GIC Provider, the Asset Purchaser Swap Counterparty 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 the Rating Agencies are notified of 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 be backed by the same pool of assets 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 they have the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the investor's overall investment portfolio.

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

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

In particular, in Europe, investors should be aware of Article 122a of the Capital Requirements Directive, as implemented in the Netherlands by the Dutch Regulation Securitisations of 26 October 2010 ("*Regeling securitisaties Wft 2010*") which applies in general to new securitisations issued on or after 1 January 2011 and, after 31 December 2014, to existing securitisations where new underlying exposures are added or substituted after 31 December 2014. Article 122a restricts an EU regulated credit institution from investing in asset-backed securities unless the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the EU regulated credit institution that it will retain, on an ongoing basis, a net economic interest of not less than 5% in respect of certain specified credit risk tranches or asset exposures as contemplated by Article 122a. Article 122a also requires an EU regulated credit institution to be able to demonstrate that it has undertaken certain due diligence in respect of, amongst other things, its note position and the underlying exposures and that procedures are established for such activities to be conducted on an on-going basis. Failure to comply with one or more of the requirements set out in Article 122a will result in the imposition of a penal capital charge on the notes acquired by the relevant investor.

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

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

guidance from their regulator. Similar requirements to those set out in Article 122a are expected to be implemented for other EU regulated investors (such as investment firms, insurance and reinsurance undertakings and certain hedge fund managers) in the future.

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

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

On 26 June 2004, the Basel Committee on Banking Supervision published the text of the new capital accord under the title "Basel II: International Convergence of Capital Measurement and Capital Standards: a Revised Framework" ("**Basel II**"). Basel II, which places enhanced emphasis on market discipline and sensitivity to risk, serves as a basis for national and supra-national rulemaking and approval processes for banking organisations. Basel II has been put into effect for credit institutions in Europe via the recasting of a number of prior directives in a consolidating directive referred to as the Capital Requirements Directive. In October 2008, the European Commission adopted proposals to amend the Capital Requirements Directive in light of the financial crisis, which are expected to be implemented in 2010. Recently, the Basel Committee on Banking Supervision proposed new rules amending the existing Basel II Accord on bank capital requirements ("**Basel III**"). It is uncertain when these new rules will be implemented. Basel II, as published, and Basel III even to a greater extent, will affect risk-weighting of the Notes for investors subject to the new framework following its implementation (whether via the Capital Requirements Directive or otherwise by non-EU regulators if not amended from its current form when or if implemented by non-EU regulators). Consequently, potential investors should consult their own advisers as to the consequences to and effect on them of the application of Basel II, as implemented by their own regulator, to their holding of any Notes. The Issuer and the Security Trustee are not responsible for informing Noteholders of the effects on the changes to risk-weighting which amongst others may result for investors from the adoption by their own regulator of Basel II (whether or not implemented by them in its current form or otherwise).

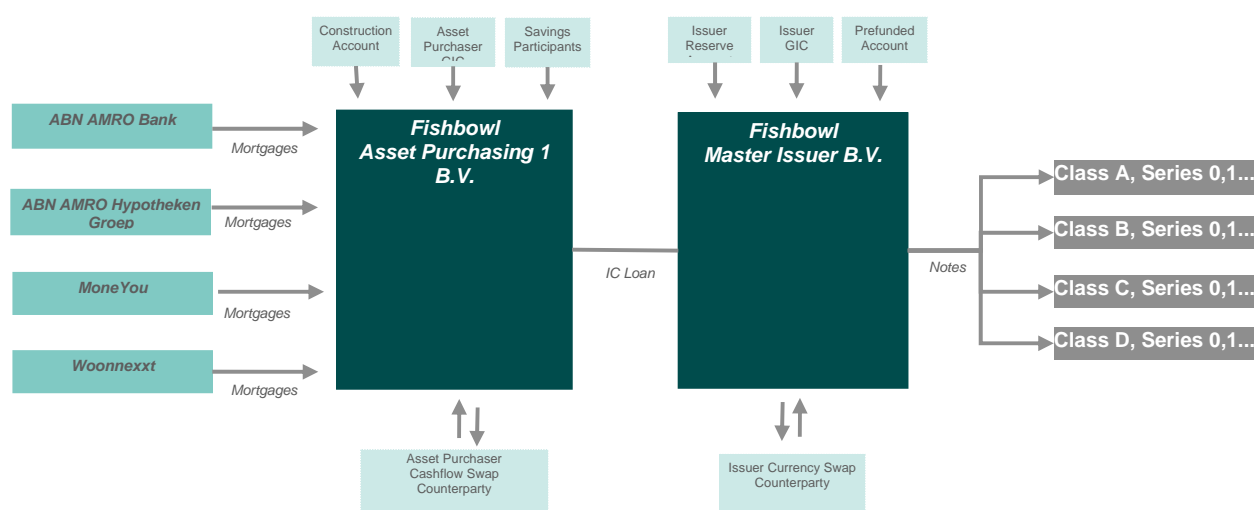
#### **Notes may not be recognized as eligible Eurosystem collateral**

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

## 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.

### *Fishbowl Master Issuer*





## 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 Purchaser :

Fishbowl Asset Purchasing 1 B.V., incorporated under the laws of the Netherlands as a private company with limited liability ("*besloten vennootschap met beperkte aansprakelijkheid*").

If a new Seller accedes to the Programme a new Asset Purchaser may, but is not required to, accede to the Programme which will exclusively purchase Mortgage Receivables from such new Seller.

##### Sellers:

(i) ABN AMRO Bank N.V., incorporated under the laws of the Netherlands as a public company with limited liability ("*naamloze vennootschap*") ("**ABN AMRO Bank**");

(ii) ABN AMRO Hypotheken Groep B.V., incorporated under the laws of the Netherlands as a private company with limited liability ("*besloten vennootschap met beperkte aansprakelijkheid*") ("**ABN AMRO Hypotheken Groep**");

(iii) MoneYou B.V., incorporated under the laws of the Netherlands as a private company with limited liability ("*besloten vennootschap met beperkte aansprakelijkheid*") ("**MoneYou**");

(iv) WoonNexxt Hypotheken B.V., incorporated under the laws of the Netherlands as a private company with limited liability ("*besloten vennootschap met beperkte aansprakelijkheid*") ("**WoonNexxt Hypotheken**"); and

(each of the above including its successor or successors) and 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 ABN AMRO Group N.V. within the meaning of article 2:24a Netherlands Civil Code (and its successor or successors).

##### Asset Purchaser Administrator:

ABN AMRO Hypotheken Groep (and its successor or

successors) and/or any further Asset Purchaser Administrator that accedes to the Programme as Asset Purchaser Administrator (and its successor or successors).

**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*") (and its successor or successors) and/or any further Asset Purchaser Director that accedes to the Programme as Asset Purchaser Director (and its successor or successors) .

**Asset Purchaser GIC Provider:**

ABN AMRO Bank (and its successor or successors) and/or any further Asset Purchaser GIC Provider that accedes to the Programme as Asset Purchaser GIC Provider (and its successor or successors).

**Asset Purchaser Cashflow Swap Counterparty:**

ABN AMRO Bank (and its successor or successors) and/or any further Asset Purchaser Cashflow Swap Counterparty that accedes to the Programme as Asset Purchaser Cashflow Swap Counterparty (and its successor or successors).

**Pool Servicer :**

ABN AMRO Hypotheken Groep (and its successor or successors) and/or any other Pool Servicer that accedes to the Programme as a Pool Servicer (and its successor or successors). The Pool Servicer may subcontract (part of) its obligations as Pool Servicer subject to and in accordance with the Asset Purchaser Servicing Agreement (without the consent of the Asset Purchaser and the Security Trustee or the approval of the Rating Agencies or any other party). Any such subcontracting will not relieve the Pool Servicer from its responsibility to perform its obligations under the Asset Purchaser Servicing Agreement, although in the case of subcontracting, such services will be performed by a sub-agent.

**Savings Participants**

(i) SRLEV N.V. and ABN AMRO Levensverzekering N.V. in respect of Savings Mortgage Receivables sold by ABN AMRO Bank, (ii) SRLEV N.V. and ABN AMRO Levensverzekering N.V. in respect of Savings Mortgage Receivables sold by ABN AMRO Hypotheken Groep, (iii) SRLEV N.V. and Allianz Nederland Levensverzekering N.V. in respect of Savings Mortgage Receivables and Hybrid Savings Mortgage Receivables sold by WoonNexxt Hypotheken, and (iv) SRLEV N.V. in respect of Savings Mortgage Receivables sold by MoneYou, and (v) any other Savings Participant that accedes to the Programme as Savings Participant or their successor or successors;

.

<b>Bank Savings Participant</b>	ABN AMRO Hypotheken Groep.
<b>403-Guarantor:</b>	ABN AMRO Group N.V., a public company (" <i>naamloze vennootschap</i> ") organized under the laws of the Netherlands and established in Amsterdam, the Netherlands.
<b>On Issuer level:</b>	
<b>Issuer:</b>	Fishbowl 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>	ABN AMRO Hypotheken Groep
<b>Issuer GIC Provider:</b>	ABN AMRO Bank
<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> ").
<b>Security Trustee:</b>	Stichting Security Trustee Fishbowl, established under the laws of the Netherlands as a foundation (" <i>stichting</i> ").
<b>Holding:</b>	Stichting Holding Fishbowl, established under the laws of the Netherlands as a foundation (" <i>stichting</i> "). Stichting Holding Fishbowl holds all the shares in the Issuer and the Asset Purchaser.
<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 Purchaser and the Holding. The Issuer Director, the Security Trustee Director, the Holding Director and the Asset Purchaser Director hereinafter together the " <b>Directors</b> ".
<b>Paying Agent:</b>	ABN AMRO Bank or any other paying agent as indicated

in the relevant Final Terms.

**Listing Agent:** ABN AMRO Bank

**Reference Agent:** ABN AMRO Bank

**Arranger:** ABN AMRO Bank

## PRINCIPAL FEATURES IN RESPECT OF THE ASSET PURCHASER

*The following is an overview of the principal features of the Asset Purchaser. 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:

#### Purchase of New Mortgage Receivables:

Under the Asset Purchaser Mortgage Receivables Purchase Agreement, the relevant Seller may on or about 14 July 2011 and each Mortgage Payment Date and Monthly Payment Date (each a "**Mortgage Purchase Date**") sell and assign and the Asset Purchaser will purchase up to the Asset Purchaser Purchase Available Amount, any and all rights against a Borrower under New Mortgage Loans ("**New Mortgage Receivables**") 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 ("*begunstigde*") in connection with a Mortgage Receivable (the "**Beneficiary Rights**"), subject to the fulfilment of certain conditions. "**New Mortgage Loans**" are loans entered into by the relevant Seller and the relevant Borrowers set out in the relevant Deed of Sale, Assignment and Pledge. See *Asset Purchaser Mortgage Receivables Purchase Agreement* below.

#### Purchase of Further Advance Receivables:

The Asset Purchaser Mortgage Receivables Purchase Agreement will provide that on each Mortgage Purchase Date the relevant Seller will sell and the 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.

#### Repurchase of Mortgage Receivables:

Under the 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; and
- (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 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; and
  - (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 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 Asset Purchaser on or before the Monthly Payment Date immediately succeeding such Mortgage Collection Period, on such Monthly Payment Date; and
  - (iv) (a) if prior to foreclosure of a Mortgage Loan, such Mortgage Loan no longer has the benefit of a NHG Guarantee, or (b) following foreclosure of a Mortgage Loan, the amount actually reimbursed under the NHG Guarantee is lower than the amount claimable under the terms of the NHG Guarantee, each time as a result of an action taken or omitted to be taken by the relevant Seller or the Pool Servicer, on the Mortgage Payment Date immediately following the date on which the Relevant Mortgage Loan ceases to have the benefit of the NHG Guarantee or the payment under the NHG Guarantee has been received by the Asset Purchaser, as the case may be, on (i) the immediately following Mortgage Payment Date or (ii) if such Mortgage Payment Date referred to under (i) falls within fourteen (14) days of such date, the second Mortgage Payment Date following such date; and

- (v) in respect of a Hybrid Savings Mortgage Loan, the relevant Seller agrees to a switch of the premia accumulated in the relevant savings part of the Hybrid Insurance Policy into another eligible investment under the Hybrid Mortgage Loan (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, save for the events set forth in items (ii) and (iv)(b), 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 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. In the event of a repurchase as a result of the occurrence of a Mortgage Loan Amendment set forth item (ii) above, 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) the sum of (a) 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 (b) the amount claimable under the terms of the NHG Guarantee 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. In the event of a repurchase set forth in item (iv)(b) above, the purchase price shall be equal to the amount that was not reimbursed under the NHG Guarantee as a result of an action taken or omitted to be taken by the relevant Seller or the Pool Servicer, plus any post-foreclosure proceeds.

## Mortgage Loans:

The rights of the Sellers against certain borrowers (the "**Borrowers**"), which will be sold by the relevant Seller pursuant to the Asset Purchaser Mortgage Receivables Purchase Agreement (with respect to the relevant Seller, the "**Relevant Mortgage Receivables**" and together, 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 ("*appartementrecht*") 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 Asset Purchaser Mortgage Receivables Purchase Agreement (the "**Eligibility Criteria**") and the other criteria set forth in the Asset Purchaser Mortgage Receivables Purchase Agreement.

The Mortgage Loans will consist of

- (i) interest only mortgage loans ("*aflossingsvrije hypotheken*"),
- (ii) annuity mortgage loans ("*annuitaire hypotheken*"),
- (iii) linear mortgage loans ("*lineaire hypotheken*"),
- (iv) hybrid mortgage loans ("*hybride hypotheken*"),
- (v) savings mortgage loans ("*spaarhypotheken*");
- (vi) investment mortgage loans ("*beleggingshypotheken*"),
- (vii) life mortgage loans ("*levenhypotheken*"),
- (viii) bank savings mortgage loans ("*bankspaarhypotheken*"), and
- (ix) combinations of any of these types of mortgage loans,

See *Description of Mortgage Loans* below for a more detailed description of the Relevant Mortgage Receivables sold by each Seller to the Asset Purchaser.

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

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

**NHG Guarantee:**

All Mortgage Loans will have the benefit of a NHG Guarantee. See further *NHG Guarantee Programme* below. As a result of the assignment and pledge of the Relevant Mortgage Receivables, the Asset Purchaser and the Security Trustee, respectively, will have the benefit of the rights of the relevant Seller under each NHG Guarantee in relation to the Relevant Mortgage Receivables.

**IC LOANS****IC Loan Agreement:**

On 7 July 2011 (the "**Programme Closing Date**") the Issuer has entered into, and on each date a new Asset Purchaser may 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 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 an 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. The Asset Purchaser will use the net proceeds from the IC Loans (together with the Initial Participation (as defined in *Asset Purchaser Sub-participation Agreement* below) to pay to the relevant Seller the Initial Purchase Price for the purchase of New Mortgage Receivables pursuant to the Asset Purchaser Mortgage Receivables Purchase Agreement from time to time.

**Interest on the IC Loans**

Interest will accrue on each IC Loan 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 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 the Asset Purchaser 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), (j), (h) 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 and (c) less any interest actually received by the Issuer on all Subordinated Loans on such Note Payment Date.

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

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 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**

The 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 the Asset Purchaser 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, the Asset Purchaser will pay to the Issuer a pro-rata share of the Aggregate IC Loan Costs (the "**IC Loan Costs**"). See *IC Loan Agreement*.

#### **Repayment of Principal**

On each Note Payment Date the 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 Asset Purchaser Pass-through Payable Amount calculated in respect of the preceding Note Collection Period. Furthermore, the Asset Purchaser will undertake its best efforts to repay such amounts as are required by the Issuer to redeem one or more Series and Class or Sub-class of Notes on a Note Payment Date 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.

#### **Subordinated Loan:**

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

the Subordinated Loan Minimum Amount to the Asset Purchaser as Subordinated Loan. The amount will be advanced on a pro rata basis to the Asset Purchaser by reference to the amounts recorded on the IC Loan Principal Deficiency Ledger on such Note Payment Date. The Asset Purchaser has an obligation to accept such Subordinated Loan. Each Subordinated Loan will be credited to the IC Loan Principal Deficiency Ledger and will form part of the Asset Purchaser Principal Available Amount on such date.

## CASH FLOW STRUCTURE ASSET PURCHASER:

### Asset Purchaser GIC:

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

### Asset Purchaser Collection Account:

The Asset Purchaser shall maintain with the Asset Purchaser GIC Provider an account (the "**Asset Purchaser Collection Account**", and together with the 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 Pool Servicer in accordance with the Asset Purchaser Servicing Agreement.

### Asset Purchaser Construction Account:

The Asset Purchaser shall also maintain with the Asset Purchaser GIC Provider an account (the "**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 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 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 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:**

The Asset Purchaser will enter into a cashflow swap agreement, a schedule thereto and a cashflow swap confirmation with the 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 entered into on the Programme Closing Date (the "**Asset Purchaser Servicing Agreement**") between the Asset Purchaser, the Asset Purchaser Administrator, the Pool Servicer and the Security Trustee, (between the 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 further *Mortgage Loan Underwriting and Servicing*) and (iii) the Asset Purchaser Administrator has agreed to provide certain administration, calculation and cash management services for the Asset Purchaser on a day-to-day basis, including without limitation, all calculations to be made in respect of the IC Loans.

**Asset Purchaser Savings Sub-participation Agreements:**

Under the terms of asset purchaser savings sub-participation agreements entered into on the Programme Closing Date (each an "**Asset Purchaser Savings Sub-participation Agreement**") 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 Savings Sub-participation Agreement the Savings Participant will undertake to pay to the Asset Purchaser all amounts received as Savings Premium on the Savings Insurance Policies and Hybrid Insurance Policies connected to Hybrid Savings Mortgage Loans. In return, the Savings Participant is entitled to receive the relevant Savings Participation Redemption Available Amount from the Asset Purchaser. The amount of the savings participation with respect to a Savings Mortgage Receivable or Hybrid Savings Mortgage Receivable (the "**Savings Participation**") consists of (a) the Initial

Savings Participation at the relevant Mortgage Purchase Date (b) increased on a monthly basis with the sum of (i) the Savings Premium due to the Savings Participants and received by the Asset Purchaser and (ii) a *pro rata* part, corresponding to the Savings Participation in the relevant Savings Mortgage Receivable or Hybrid Savings Mortgage Receivable, of the interest received by the Asset Purchaser in respect of such Savings Mortgage Receivable or Hybrid Savings Mortgage Receivable. See *Asset Purchaser Sub-participation Agreement* below.

**Asset Purchaser Bank Savings Sub-participation Agreement:**

Under the terms of asset purchaser bank savings sub-participation agreements entered into on the Programme Closing Date (each an "**Asset Purchaser Bank Savings Sub-participation Agreement**") with the Bank Savings Participant, under which the Bank Savings Participant will acquire participations in the relevant Mortgage Receivables related to the Bank Savings Mortgage Loans ("**Bank Savings Mortgage Receivables**") in consideration for the undertaking of the Bank Savings Participant to pay to the Asset Purchaser all amounts received as Initial Bank Savings Deposit and the monthly Bank Savings Deposit Instalments. In return, the Bank Savings Participant is entitled to receive the Bank Savings Participation Redemption Available Amount from the Asset Purchaser. The amount of the participation (the "**Bank Savings Participation**", and together with the Savings Participation, the "**Participation**") with respect to a Bank Savings Mortgage Receivable consists of (a) the Initial Bank Savings Participation at the relevant Mortgage Purchase Date (b) increased on a monthly basis with the sum of (i) the monthly Bank Savings Deposit instalments received by the Bank Savings Participant and paid to the Asset Purchaser and (ii) a *pro rata* part, corresponding to the Bank Savings Participation in the relevant Bank Savings Mortgage Receivable, of the interest received by the Asset Purchaser in respect of such Bank Savings Mortgage Receivable. See *Asset Purchaser Sub-participation Agreement* below.

**403-Declaration:**

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 Amsterdam in which it has declared to be jointly and severally liable for the debts resulting from the legal acts of the Sellers.

**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 ABN AMRO Bank;
- (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 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 7 July 2011 between, *inter alia*, the Issuer, the Security Trustee, the Asset Purchaser and the Dealers, as the same may be amended, novated, restated, supplemented or otherwise modified from time to time (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 and Class D 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**"). A Class designation determines the relative seniority for receipt of cash flows. 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 € 100.000 (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 and the Class D 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 and the Class D 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.

#### Ratings on the Notes:

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

	<u>Moody's</u>	<u>DBRS</u>	<u>S&amp;P</u>
<b>Class A</b>	Aaa(sf)	AAA(sf)	AAA(sf)
<b>Class B</b>	A1 (sf)	AA (low) (sf)	AA- (sf)
<b>Class C</b>	Baa2 (sf)	None	None

The Rating Agencies are established in the European Union. As of the date of this Base Prospectus none of the Rating Agencies is registered under Regulation (EC) No 1060/2009 of 16 September 2009 on credit rating agencies.

#### 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 28th day of February, May, August and November or any other date indicated in the relevant Final Terms, (or, in either case, 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) 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 Note Payment Date listed as step-up date 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 Step-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 D Notes**

The Class D 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 D 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 of the Notes, but not some only, (other than the Class D 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 ten (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 ten (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**").

The Asset Purchaser shall undertake in the Asset Purchaser Mortgage Receivables Purchase Agreement to sell and assign the Relevant Mortgage Receivables to the relevant Seller, or any third party appointed by the relevant Seller at its sole discretion, in case 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 Purchaser has the option to repay the 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 repayment of the IC Loans towards redemption of the Notes subject to and in accordance with Condition 6(i) and 9 (b).

#### **NHG Guarantee Termination Call Option**

On each Monthly Payment Date each Seller has the option to repurchase the Relevant Mortgage Receivables upon the termination of the NHG Guarantee and no substitute programme has been established (the "**NHG Guarantee Termination Call Option**").

The Asset Purchaser shall undertake in the Asset Purchaser Mortgage Receivables Purchase Agreement to sell and assign the Relevant Mortgage Receivables to the relevant Seller, or any third party appointed by the relevant Seller at its sole discretion, in case the relevant Seller exercises the NHG Guarantee Termination 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 NHG Guarantee Termination Call Option, then the Asset Purchaser has the option to repay the 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 the IC Loans towards redemption of the Notes subject to and in accordance with Condition 6(j) 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 and 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 and Class D 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 Agent for cancellation in accordance with the Paying Agency Agreement. Any Class B Notes, Class C Notes, or Class D Notes so purchased should be surrendered to any of the Paying Agent 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 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 D Notes, to provide the Asset Purchaser with an IC Loan, to redeem other

Notes or to credit to the Issuer Pre-Funded Account. 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 Asset Purchaser, the relevant Seller and the Security Trustee (the "**Asset Purchaser Mortgage Receivables Purchase Agreement**") from time to time. The Issuer will credit the net proceeds from the Class D Notes to the Unreserved Ledger of the Issuer Reserve Account.

#### **Security for the Notes:**

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

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

In respect of each issue of Notes under the Programme, ABN AMRO Bank (i) in its capacity as Seller, and (ii) with respect to the other Sellers, in its capacity as allowed entity under paragraph 2 of article 122a of Directives 2006/48/EC and 2006/49/EC, as amended by Directive 2009/111/EC, as the same may be amended from time to time (the "**Capital Requirements Directive**"), shall, or undertakes that any entity designated by ABN AMRO Bank as allowed entity under paragraph 2 of article 122a of the Capital Requirements Directive shall, retain, on an ongoing basis, a material net economic interest which, in any event, shall not be less than 5%. As of the first issue of Notes after the date of this Base Prospectus such interest will be retained in accordance with item (a) of article 122a paragraph 1 of the Capital Requirements Directive, by holding at least 5% of the Notes of each tranche (i.e. Class) issued under the Programme. In addition, each Seller shall (i) adhere to the requirements set out in paragraph 6 of article 122a of the Capital Requirements Directive and (ii) make appropriate disclosures to Noteholders about the retained net economic interest in the Programme and ensure that the Noteholders have readily available access to all materially relevant data as required under paragraph 7 of article 122a of the Capital Requirements Directive.

In each Notes Purchase Agreement, each Seller shall undertake to the relevant Managers and the Issuer that it shall at all times comply with Dutch Regulation Securitisations of 26 October 2010 ("*Regeling securitisaties Wft 2010*") implementing *inter alia* article 122a of the Capital Requirements Directive.

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

**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 and the Issuer Pre-Funded Account, the "**Issuer Accounts**") to which all amounts of interest, costs and principal received under the IC Loans will be transferred by the Asset Purchaser.

**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 Ledger. 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 (k) inclusive of the Issuer Interest Priority of Payments. Amounts applied towards items (f), (h) and (j) 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 amount of the IC Loan Principal Deficiency 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 (l) will be transferred to the Unreserved Ledger up to the Unreserved Ledger Required Amount.

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

**Issuer Pre-Funded Account:**

The Issuer will open an account (the "**Issuer Pre-Funded Account**") held with the Issuer GIC Provider on which the net proceeds of the Notes, to the extent not used to grant IC Loans or to purchase Notes (the "**Issuer Pre-Funded Amount**"), will be credited. With respect to the Issuer Pre-Funded Amount, no conditions are applicable, including conditions with regard to the level of the Issuer Pre-Funded Amount and the period during which it can be held in deposit on the Issuer Pre-Funded Account. This may have the result that the net proceeds of the issue of Notes will not immediately be applied to grant IC Loans or to purchase Notes. The Issuer Pre-Funded Amount will be available to the Issuer (i) to grant IC Loans to Asset Purchaser or (ii) to purchase Notes (other than Class D Notes) on any date or (iii) to redeem Notes on their Step-up Date.

**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, the 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 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: *Retention and disclosure requirements under the Capital Requirements Directive in Overview of the Parties and Principal Features of the Programme, Overview of the Dutch Residential Mortgage Market, ABN AMRO Bank N.V. and the Sellers, Description of Mortgage Loans, NHG Guarantee Programme and Mortgage Loan Underwriting and Servicing*. 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 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, backed by the same pool of assets, 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 subordinate Classes of 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;
- (A) each Rating Agency has provided a Rating Agency Confirmation in respect of such issue of Notes, or (B), in respect of Moody's only, by the 15th calendar day after Moody's was notified of such issue of Notes, it has not indicated (i) which further information it needs to receive before it is in a position to grant a Rating Agency Confirmation or (ii) that the then current rating assigned by it to any of the Notes will be downgraded below the Minimum Ratings or, if the then current ratings are below the Minimum Ratings, that the then current ratings will be adversely affected;
- The Asset Purchaser Swap Counterparty consents to such issue of Notes

AND

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

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

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

$$A \times B$$

where:

- A = the "**Class A Required Subordinated Percentage**", which is equal to 6.2 per cent.; and
  - B = the Principal Amount Outstanding of all Notes (other than the Class D 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 and the Class C 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) the aggregate of any Class B Principal Deficiency and Class C 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 3.8 per cent.; and
- B = the Principal Amount Outstanding of all Notes (other than the Class D 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 (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.

***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 0 per cent.; and
- B = the Principal Amount Outstanding of all Notes (other than the Class D 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 amount of the Unreserved Ledger on such date.

The Class A Required Subordinated Percentage, the Class B Required Subordinated Percentage and the Class C Required Subordinated Percentage may be changed by the Issuer from time to time without the consent of the Security Trustee or the Noteholders. Such change may only be made if (A) each Rating Agency has provided a Rating Agency Confirmation in respect of change, or (B), in respect of Moody's only, by the 15th calendar day after Moody's was notified of such change, it has not indicated (i) which further information it needs to receive before it is in a position to grant a Rating Agency Confirmation or (ii) that the then current rating assigned by it to any of the Notes will be downgraded below the Minimum Ratings or, if the then current ratings are below the Minimum Ratings, that the then current ratings will be adversely affected.

## 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; and
- (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.

## 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 the Asset Purchaser GIC Provider, or any guarantor who guarantees the obligations of the Issuer GIC Provider or the Asset Purchaser GIC Provider, should at least have the GIC Provider Required Rating. The '**GIC Provider Required Rating**' means a rating of (i) the long-term unsecured, unsubordinated and unguaranteed debt obligations of at least A by DBRS, A2 (or if the unsecured, unsubordinated and unguaranteed debt obligations do not have a short-term rating, A1) by Moody's and A (or A+ if the unsecured, unsubordinated and unguaranteed debt obligations do not have a short-term rating of at least A-1) by S&P and (ii) the short-term, unsecured, unsubordinated and unguaranteed debt obligations of at least Prime-1 by Moody's.

#### *Asset Purchaser Cashflow Swap*

The 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, unsubordinated and unguaranteed debt obligations of at least A by DBRS, A2 (or if the unsecured, unsubordinated and unguaranteed debt obligations do not have a short-term rating, A1) by Moody's and A (or A+ if the unsecured, unsubordinated and unguaranteed debt obligations do not have a short-term rating of at least A-1) by S&P and (ii) the short-term unsecured, unsubordinated and unguaranteed debt obligations of at least Prime-1 by Moody's.

#### *Issuer Currency Swap*

The 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 A by DBRS, A2 (or if or if the unsecured, unsubordinated and unguaranteed debt obligations do not have a short-term rating, A1) by Moody's and A (or A+ if the unsecured, unsubordinated and unguaranteed debt obligations do not have a short-term rating of at least A-1) by S&P and (ii) the short-term unsecured, unsubordinated and unguaranteed debt obligations of at least Prime-1 by Moody's.

#### *Seller Collection Accounts*

Each 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 (i) the short-term unsecured, unsubordinated and unguaranteed debt obligations of at least R-1 (low) by DBRS and Prime-1 by Moody's and (ii) the long-term unsecured, unsubordinated and unguaranteed debt obligation of at least BBB (high) by DBRS and BBB (or BBB+ if the unsecured, unsubordinated and unguaranteed debt obligations do not have a short-term rating of at least A-2) by S&P.

### Rating Downgrade Events

#### *GIC*

An '**Issuer GIC Provider Rating Downgrade Event**' means the event that the unsecured, unsubordinated and unguaranteed debt obligations of the Issuer GIC Provider are assigned a rating of less than the GIC Provider Required Rating or such rating is withdrawn by any of the Rating Agencies.

An '**Asset Purchaser GIC Provider Rating Downgrade Event**' means the event that the unsecured, unsubordinated and unguaranteed debt obligations of the Asset Purchaser GIC Provider are assigned a rating of less than the GIC Provider Required Rating or such rating is withdrawn by any of the Rating Agencies.

*Asset Purchaser Cashflow Swap Agreements*

An '**Asset Purchaser Cashflow Swap Counterparty Rating Downgrade Event**' means the event that the unsecured, unsubordinated and unguaranteed debt obligations of the Asset Purchaser Cashflow Swap Counterparty are assigned a rating of less than the Cashflow Swap Counterparty Required Rating or such rating is withdrawn.

*Issuer Currency Swap Agreements*

An '**Issuer Currency Swap Counterparty Downgrade Event**' means the event that the unsecured, unsubordinated and unguaranteed debt obligations of the relevant Issuer Currency Swap Counterparty are assigned a rating of less than the Issuer Currency Swap Counterparty Required Rating or such rating is withdrawn.

*Seller Collection Accounts*

A '**Seller Collection Account Provider Rating Downgrade Event**' means the event that the unsecured, unsubordinated and unguaranteed debt obligations of the Seller Collection Account Provider 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.

**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) AA (low) or R-1 (middle) by DBRS for government treasuries, corporate commercial paper and bank debt and (b) R-1 (high) for asset-backed commercial paper and (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.



## CREDIT STRUCTURE ASSET PURCHASER

*The structure of the credit arrangements for the 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 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 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

Payments by the Borrowers under the Mortgage Loans are due on the first day of each month, interest being payable in arrear. All payments made by Borrowers will be paid into a collection account held with ABN AMRO Bank (each of ABN AMRO Bank and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., the "**Seller Collection Account Provider**"), except that payment in respect of Mortgage Loans of ABN AMRO Hypotheken Groep, WoonNexxt Hypotheken en MoneYou are initially paid to a collection account held with Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., which amounts are on-paid to an account held with the Seller Collection Account Provider in the name of ABN AMRO Hypotheken Groep on a daily basis. Such collection accounts will 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.

To mitigate the risk that in case of an insolvency of ABN AMRO Hypotheken Groep the Asset Purchaser will have an unsecured claim against the bankruptcy estate of ABN AMRO Hypotheken Groep in respect of amounts received under the Mortgage Loans on the relevant seller collection account but not yet paid to the Asset Purchaser, ABN AMRO Hypotheken Groep has in respect of its collection account held with Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. to which payments by borrowers of mortgage loans granted by ABN AMRO Hypotheken Groep and WoonNexxt Hypotheken are made (the "**Rabo Collection Account**"), granted a second ranking right of pledge on the balance standing to the credit of such Rabo Collection Account in favour of the Asset Purchaser and certain other parties jointly under the condition that future issuers in securitisations and future vehicles in conduit transactions or similar transactions (and any securities trustees relating thereto) initiated by ABN AMRO Hypotheken Groep and/or ABN AMRO Bank and/or WoonNexxt Hypotheken will also have the benefit of such right of pledge. ABN AMRO Hypotheken Groep has granted on the balance standing to the credit of such Rabo Collection Account a first ranking right of pledge in favour of N.V. Trustinstelling Hoevelaken. The rights of pledge are notified to Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. and are therefore a disclosed right of pledge ("*openbaar pandrecht*") whereby ABN AMRO Hypotheken Groep is granted a power to collect, which will be withdrawn upon the occurrence of certain events.

Furthermore, in connection with such envisaged rights of pledge, ABN AMRO Hypotheken Groep has entered into an intercreditor agreement with N.V. Trustinstelling Hoevelaken, the Asset Purchaser, ABN AMRO Hypotheken Groep, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A., Stater and certain other parties (as the same may be amended, restated, supplemented or modified from time to time) (the "**Intercreditor Agreement**") in which the parties have contractually agreed that the amounts standing to the credit of the Rabo Collection Account will be distributed in accordance with the share of each beneficiary in the balance on this account deriving from the mortgage receivables sold or pledged to it. For issues in respect of such jointly held second right of pledge reference is made to *Risk related to jointly held Bank Security Rights by the relevant Seller, the Asset Purchaser and the Security Trustee* of the chapter

*Risk Factors*, which applies *mutatis mutandis*, except that such right of pledge will, pursuant to the relevant pledge agreement, be exercised by the pledgees jointly.

The Pool Servicer will transfer ultimately on each Mortgage Payment Date (being the 8<sup>th</sup> business day of each month) all amounts received by the relevant Seller in respect of the Relevant Mortgage Loans and paid to the relevant Seller's collection account during the immediately preceding Mortgage Collection Period to the Asset Purchaser Collection Account.

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: (i) (a) open an escrow account in the name of the 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 Asset Purchaser; or (ii) ensure that payments to be made in respect of amounts received on the collection account relating to the relevant Mortgage Receivables will be guaranteed by a party having at least the Seller Collection Account Provider Required Rating; or (iii) find an alternative Seller Collection Account Provider having at least the Seller Collection Account Provider Required Rating to replace the Seller Collection Account Provider; or (iv) implement any other actions subject to the consent of the Security Trustee, provided that (A) each Rating Agency has provided a Rating Agency Confirmation, or (B) in respect of Moody's only, by the 15th calendar day after Moody's was notified of such action, it has not indicated (i) which further information it needs to receive before it is in a position to grant a Rating Agency Confirmation or (ii) that the then current rating assigned by it to any of the Notes will be downgraded below the Minimum Ratings, or if the then current ratings are below the Minimum Ratings, that the then current ratings will be adversely affected.

#### **Asset Purchaser Accounts**

The 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, and (ii) from the Savings Participants under the Asset Purchaser Sub-participation Agreements and (iii) from the other parties to the Relevant Asset Purchaser Documents to which the Asset Purchaser is a party will be paid. The "**Relevant Asset Purchaser Documents**" are the Programme Agreement, the Asset Purchaser Mortgage Receivables Purchase Agreement, the Asset Purchaser Pledge Agreement, the Asset Purchaser GIC, the Asset Purchaser Cashflow Swap Agreement, the IC Loan Agreement, the Asset Purchaser Trust Agreement, the Asset Purchaser Beneficiary Waiver Agreements, the Asset Purchaser Servicing Agreement, the Asset Purchaser Sub-participation Agreements, the Holding Management Agreement, the Security Trustee Management Agreement and the Asset Purchaser Management Agreement.

The Asset Purchaser Administrator will identify all amounts paid into the Asset Purchaser Collection Account by crediting such amounts to ledgers established for such purpose. Payments received on each Mortgage 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 the IC Loans, the Asset Purchaser may, and the Asset Purchaser Administrator on its behalf, 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) in other securities provided that (I) each Rating Agency has provided a Rating Agency Confirmation in respect of such investments, or (II), in respect of Moody's only, by the 15th calendar day after Moody's was notified of such investments, it has not indicated (i) which further information it needs to receive before it is in a position to grant a Rating Agency Confirmation or (ii) that the then current rating assigned by it to any of the Notes will be downgraded below the Minimum Ratings or, if the then current ratings are below the Minimum Ratings, that the then current ratings will be adversely affected (the "**Asset Purchaser Eligible Investments**" ).

Payments from the 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 (i) to satisfy 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) to satisfy amounts due to the Savings Participants under the Asset Purchaser Savings Sub-participation Agreement, (iii) to satisfy amounts due to the Bank Savings Participant under the Asset Purchaser Bank Savings Sub-participation Agreement, (iv) to make investments in Asset Purchaser Eligible Investments or (v) to grant IC Loans. For the avoidance of doubt, on a Mortgage Payment Date the 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 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 Asset Purchaser on such date will be credited to the Asset Purchaser Construction Account. Payments may be made from the Asset Purchaser Construction Account on a Mortgage Payment Date only to satisfy payment by the 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 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 Asset Purchaser has no further obligation to pay such part of the Initial Purchase Price. Such amount will be credited to the Asset Purchaser Collection Account and will form part of the Asset Purchaser Principal Available Amount.

If at any time an Asset Purchaser GIC Provider Rating Downgrade Event occurs, then the Asset Purchaser GIC Provider will within thirty (30) days of any such event (i) obtain a third party, having at least the GIC Provider Required Rating to guarantee the obligations of the Asset Purchaser GIC Provider, or (ii) find an alternative Asset Purchaser GIC Provider having at least the GIC Provider Required Rating or (iii) find any other solution acceptable to the Security Trustee and provided that (A) each Rating Agency has provided a Rating Agency Confirmation in respect of such solution, or (B), in respect of Moody's only, by the 15th calendar day after Moody's was notified of such solution, it has not indicated (i) which further information it needs to receive before it is in a position to grant a Rating Agency Confirmation or (ii) that the then current rating assigned by it to any of the Notes will be downgraded below the Minimum Ratings or, if the then current ratings are below the Minimum Ratings, that the then current ratings will be adversely affected.

#### **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 the Asset Purchaser the sum of the following amounts received or held by the Asset Purchaser 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**":

- (i) as interest, including any prepayment penalties and penalty interest ("*boeterente*"), on the Relevant Mortgage Receivables less, with respect to each Savings Mortgage Receivable, Hybrid Savings Mortgage Receivable and Bank Savings Mortgage Receivable which is subject to a Savings Participation or Bank Savings Participation, as applicable, an amount equal to the amount received, multiplied by the relevant Savings Participation, or Bank Savings Participation, as applicable, divided by the Outstanding Principal Amount of such Savings Mortgage Receivable, Hybrid Savings Mortgage Receivable or Bank Savings Mortgage Receivable (the "**Participation Fraction**");
- (ii) as interest credited to the 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, Hybrid Savings Mortgage Receivable and Bank

- Savings Mortgage Receivable which is subject to a Savings Participation or Bank Savings Participation, as applicable an amount equal to the amount received, multiplied by the relevant Participation Fraction;
- (iv) as amounts to be received from the Asset Purchaser Cashflow Swap Counterparty under the Asset Purchaser Cashflow Swap Agreement on the immediately succeeding Note Payment Date, excluding, for the avoidance of doubt, any collateral transferred pursuant to the Asset Purchaser Cashflow Swap Agreement;
  - (v) as amounts received in connection with a repurchase of Relevant Mortgage Receivables pursuant to the Asset Purchaser Mortgage Receivables Purchase Agreement to the extent such amounts do not relate to principal or any other amounts to be received pursuant to the Asset Purchaser Mortgage Receivables Purchase Agreement to the extent such amounts do not relate to principal less, with respect to each Savings Mortgage Receivable, Hybrid Savings Mortgage Receivable and Bank Savings Mortgage Receivable which is subject to a Savings Participation or Bank Savings Participation, as applicable, 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, each Hybrid Savings Mortgage Receivable and Bank Savings Mortgage Receivable which is subject to a Savings Participation or Bank Savings Participation, as applicable, 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 the IC Loans is 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 Asset Purchaser Interest Available Amount shall be applied by the 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 Asset Purchaser Director in connection with the 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;
- (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 Pool Servicer under the Asset Purchaser Servicing Agreement;
- (c) *third*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of any amounts due and payable to third parties under obligations incurred in the Asset Purchaser's business (other than under the 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 Asset Purchaser or the Security Trustee;
- (d) *fourth*, in or towards satisfaction of amounts, if any, due but unpaid under the 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 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 Asset Purchaser Cashflow Swap Agreement) (an "**Asset Purchaser Cashflow Swap Counterparty Default Payment**") payable under (i) below;
- (e) *fifth*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of (i) interest due and payable in respect of the IC Loans and (ii) the IC Loan Costs due and payable by the Asset Purchaser;

- (f) *sixth*, in or towards making good, any shortfall reflected in the IC Loan Principal Deficiency Ledger until the debit balance, if any, on the IC Loan Principal Deficiency Ledger is reduced to zero;
- (g) *seventh*, in or towards satisfaction of interest due and payable in respect of the Subordinated Loans by the Asset Purchaser;
- (h) *eighth*, in or towards satisfaction of principal due and payable in respect of the Subordinated Loans by the Asset Purchaser;
- (i) *ninth*, in or towards satisfaction of the Asset Purchaser Cashflow Swap Counterparty Default Payment payable to the Asset Purchaser Cashflow Swap Counterparty under the terms of the Asset Purchaser Cashflow Swap Agreement;
- (j) *tenth*, in or towards satisfaction of gross-up amounts or additional amounts due, if any, to the Issuer pursuant to the IC Loan Agreement;
- (k) *eleventh*, 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 Asset Purchaser in relation to the immediately preceding Mortgage Collection Period (without double counting) (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, Hybrid Savings Mortgage Receivable and Bank Savings Mortgage Receivable which is subject to a Savings Participation or Bank Savings Participation, as applicable, the relevant Participation in such Savings Mortgage Receivable, Hybrid Savings Mortgage Receivable or Bank Savings Mortgage Receivable (such amount, together with items (iii) up to and including (vii) and (x), less any amounts received under item (v) to the extent such amounts result from the sale of Mortgage Receivables pursuant to the best efforts obligation of the Asset Purchaser to repay principal under the IC Loans in connection with the redemption of Notes upon exercise of a call-option as set out in the Asset Purchaser Trust Agreement, being the "**Asset Purchaser Principal Receipts**");
- (ii) on a Note Calculation Date, any amounts to be credited to the IC Loan Principal Deficiency Ledger, including any amount received as Subordinated Loan, 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, Hybrid Savings Mortgage Receivable and Bank Savings Mortgage Receivable which is subject to a Savings Participation or Bank Savings Participation, as applicable, the relevant Participation in such Savings Mortgage Receivable, Hybrid Savings Mortgage Receivable or Bank 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 Asset Purchaser Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal less, with respect to each Savings Mortgage Receivable, Hybrid Savings Mortgage Receivable and Bank Savings Mortgage Receivable which is subject to a Savings Participation or Bank Savings Participation, as applicable, the relevant Participation in such Savings Mortgage Receivable, Hybrid Savings Mortgage Receivable or Bank Savings Mortgage Receivable;
- (v) as amounts received in connection with a sale of Mortgage Receivables to the extent such amounts relate to principal less, with respect to each Savings Mortgage Receivable, Hybrid Savings Mortgage Receivable and Bank Savings Mortgage Receivable which is subject to a Savings Participation or Bank Savings Participation, as applicable, the relevant Participation in such Savings Mortgage Receivable, Hybrid Savings Mortgage Receivable or Bank Savings Mortgage Receivable;

- (vi) as Participation Increase, less any amounts paid towards termination of the sub-participation in the relevant Savings Mortgage Receivables, Hybrid Savings Mortgage Receivables which is subject to a Savings Participation, in case of a Policy Switch, pursuant to the Asset Purchaser Sub-Participation Agreement;
- (vii) as partial prepayment in respect of Mortgage Receivables;
- (viii) as amounts received or to be received on the immediately succeeding Mortgage Purchase Date as Initial Savings Participation or Initial Bank Savings Participation, as applicable;
- (ix) any part of the Asset Purchaser Principal Available Amount calculated on a preceding Note Calculation Date which has not been applied towards payment of the IC Loans or purchase of Further Advance Receivables or New Mortgage Receivables on the immediately preceding Monthly Payment Date;
- (x) as amounts received on the Asset Purchaser Collection Account on the preceding Mortgage 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;
- (xi) the net proceeds from an IC Loan under the 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:

- (xii) any amounts which have been applied in satisfaction by payment or by means of set-off with (part of) the Initial Purchase Price of New Mortgage Receivables and Further Advance Receivables on a 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 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 the IC Loans 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 D 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 D 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, the Asset Purchaser Principal Available Amount will be applied by the 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)) (an "**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 IC Loans up to the Asset Purchaser Pass-through Payable Amount;
- (ii) *second*, in or towards payment of (part of) the Initial Purchase Price of 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 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), (viii) and (x) of the 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 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, items (i), (iii), (iv), (v), (vi), (vii), (viii) and (x) 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 the Asset Purchaser on the first day of the immediately preceding Note Collection Period.

**Loss Rate** means on any Note Payment Date, the Realised Losses in respect of the Asset Purchaser in the preceding Note Collection Period, divided by the Outstanding Principal Amount of the Mortgage Receivables 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, the Asset Purchaser Principal Available Amount will be applied by the Asset Purchaser on the immediately succeeding Note Payment Date in or towards satisfaction of principal due under the IC Loans until fully repaid.

#### **Priority of payments upon Enforcement of the Asset Purchaser prior to the Enforcement Date**

Following delivery of the Asset Purchaser Enforcement Notice, but prior to the Enforcement Date, any amounts payable by the Security Trustee in respect of the 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 the 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 Asset Purchaser Director in connection with the 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 Purchaser Documents, (iii) fees and expenses due and payable to the Asset Purchaser Administrator and the Pool servicer under the Asset Purchaser Servicing Agreement, and (iv) any cost, charge, liability and expenses incurred by the Security Trustee under or in connection with any of the Relevant Asset Purchaser Documents, which will include, *inter alia*, fees and expenses of the Rating Agencies, any legal advisor, auditor or accountant appointed by the Security Trustee;
- (b) *second*, in or towards satisfaction of amounts, if any, due but unpaid under the Asset Purchaser Cashflow Swap Agreement except for any Asset Purchaser Cashflow Swap Counterparty Default Payment payable under (g) below;

- (c) *third*, in or towards satisfaction, *pro rata*, in accordance with the respective amounts thereof, of (i) interest due and payable in respect of the IC Loans and (ii) IC Loan Costs due and payable by the Asset Purchaser;
- (d) *fourth*, in or towards satisfaction of principal and any other amounts due but unpaid in respect of the IC Loan, but excluding any gross-up amounts due under the IC Loan Agreement and payable under (h) below;
- (e) *fifth*, in or towards satisfaction of interest due but unpaid in respect of the relevant Subordinated Loans;
- (f) *sixth* in or towards satisfaction of principal and any other amounts due but unpaid in respect of the relevant Subordinated Loans;
- (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 Asset Purchaser Cashflow Swap Agreement;
- (h) *eighth*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of gross-up amounts or additional amounts due, if any, to the Issuer pursuant to the IC Loan Agreement;
- (i) *ninth*, in or towards satisfaction of a Deferred Purchase Price Instalment to the relevant Seller.

The Security Trustee may at its discretion serve an Asset Purchaser Enforcement Notice, i.e. a notice to the Asset Purchaser that the IC Loans are and 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 the 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 any Realised Losses on the repurchase or sale of the Mortgage Receivables (such amounts together the "**IC Loan Principal Deficiency**"). Any Realised Loss shall be debited to the IC Loan Principal Deficiency Ledger (such debit item being reccredited at item (f) of the Asset Purchaser Interest Priority of Payments) so long as the debit balance on such ledger is less than the Principal Outstanding Amount of the IC Loans.

If on a Note Payment Date the Notes of a Series and Class or Sub-class (other than the Class D 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 the IC Loan and the IC Loan Principal Deficiency Ledger (if any) 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 D Notes, and the Reserved Ledger Repayment Debit. Such amount shall be allocated to the Asset Purchaser for a *pro rata* part, calculated by reference to the balance recorded on IC Loans Principal Deficiency Ledger divided by the debit balance recorded on the IC Loan Principal Deficiency Ledger.

On each Note Payment Date the amounts credited to the 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. On each Note Payment Date the amounts received by the Asset Purchaser as Subordinated Loan will be credited to the IC Loan Principal Deficiency Ledger on such date and will form part of the Asset Purchaser Principal Available Amount.

**"Realised Losses"** means, in respect of any period, 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 Pool Servicer or the Asset Purchaser has foreclosed in such period, less with respect to the Savings Mortgage Receivables, Hybrid Savings Mortgage Receivables and Bank Savings Mortgage Receivable which are subject to a Savings Participation or Bank Savings Participation, as applicable, the relevant 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, and (c) with respect to the Mortgage Receivables in respect of which the Borrower has (i) successfully asserted set-off or defence to payments or (ii) repaid or prepaid any amounts, in both cases the amount by which the Mortgage Receivables have been extinguished



("teniet gedaan") unless, and to the extent, such amount is received from the relevant Seller or otherwise pursuant to any of items (i), (iv), (v) or (vii) of the Asset Purchaser Principal Available Amount.

### 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. The Asset Purchaser will hedge its interest rate exposure by entering into the Asset Purchaser Cashflow Swap Agreement with the Asset Purchaser Cashflow Swap Counterparty on the Programme Closing Date or the relevant Asset Purchaser Accession Date.

Under the Asset Purchaser Cashflow Swap Agreement, the 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 by the Asset Purchaser on the Mortgage Receivables in the preceding Note Collection Period, less with respect to the Savings Mortgage Receivables, Hybrid Savings Mortgage Receivables and Bank Savings Mortgage Receivables which are subject to a Savings Participation or Bank Savings Participation, as applicable, an amount equal to such interest multiplied by 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 0.40 per cent. per annum applied to (a) the Principal Outstanding Amount of the IC Loans on the first day of each IC Interest Period in the relevant Floating Rate Interest Period, less (b) any IC Loan Principal Deficiency recorded on the IC Loan Principal Deficiency Ledger, on the first day of the relevant Floating Rate Interest Period (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 Asset Purchaser on such Note Payment Date; and
- (f) an amount equal to Euro 2,500 on the first Note Payment Date of each year.

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

The Asset Purchaser Cashflow Swap Agreement entered into by the Asset Purchaser will be documented under an ISDA Master Agreement. The Asset Purchaser Cashflow Swap Agreement 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. The 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 Asset Purchaser Cashflow Swap Agreement, (iii) an Asset Purchaser Enforcement Notice is served or (iv) an Enforcement Notice is served. Events of Default under the Asset Purchaser Cashflow Swap Agreement in relation to the Asset Purchaser will be limited to (i) non-payment under the Asset Purchaser Cashflow Swap Agreement and (ii) certain insolvency events.

Upon the early termination of an Asset Purchaser Cashflow Swap Agreement, the Asset Purchaser or the 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 the Asset Purchaser is required to withhold or deduct an amount in respect of tax from payments due from it to the Asset Purchaser Cashflow Swap Counterparty, the Asset Purchaser will not be required pursuant to the

terms of the 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 Asset Purchaser, the Asset Purchaser Cashflow Swap Counterparty will be required pursuant to the terms of the Asset Purchaser Cashflow Swap Agreement to pay to the Asset Purchaser such additional amounts as are required to ensure that the Asset Purchaser receives the same amounts that it would have received had such withholding or deduction not been made.

In either event, the Asset Purchaser 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 the Asset Purchaser Cashflow Swap Agreement. Upon such termination, the 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 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 Asset Purchaser Cashflow Swap Agreement, arranging for its obligations under the 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 Asset Purchaser Cashflow Swap Agreement, or the taking of such other action provided that (A) each Rating Agency has provided a Rating Agency Confirmation in respect of such action, or (B) in respect of Moody's only, by the 15th calendar day after it was notified of such action, it has not indicated (i) which further information it needs to receive before it is in a position to grant a Rating Agency Confirmation or (ii) that the then current rating assigned by it to any of the Notes will be downgraded below the Minimum Ratings or, if the then current ratings are below the Minimum Ratings, that the then current ratings will be adversely affected.

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

Any collateral transferred by the Asset Purchaser Cashflow Swap Counterparty in accordance with the provisions set out above which is in excess of its obligations to the Asset Purchaser under the 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 the Asset Purchaser Trust Agreement, the Asset Purchaser will have the right to sell and assign all or part of the Mortgage Receivables on a Note Payment Date, provided that the Asset Purchaser shall apply the proceeds of such sale (i) to repay principal that is due under the IC Loans or (ii) to repay principal that is not due under the IC Loans, but in respect of which the Asset Purchaser has a best efforts obligation to repay certain amounts in order to enable the Issuer to redeem a Series and Class, or Sub-class, of Notes or all Notes in certain events. See *IC Loan Agreement* below. Furthermore, under the terms of the Asset Purchaser Mortgage Receivables Purchase Agreement, the 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 or its NHG Guarantee Termination 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 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) the sum of (a) 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 (b) the amount claimable under the terms of the NHG Guarantee 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 the 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 Asset Purchaser whether it wishes to repurchase the Mortgage Receivables. After such 15 business day period, the Asset Purchaser may offer such Mortgage Receivables for sale to any third party.

## 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 Loan and (ii) from the other parties to the Programme Agreement, the Issuer Pledge Agreement, any Issuer Currency Swap Agreement, IC Loan Agreement, the Issuer Trust Deed, the Issuer Parallel Debt Agreement, any Notes Purchase Agreement, 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 GIC Provider will agree to pay an agreed interest on the balance standing from time to time to the credit of the Issuer Accounts.

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 Loan 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 and/or the Issuer Pre-Funded Account (see below) exceeds 1.5 per cent. of the Principal Amount Outstanding of all Notes, the Issuer may, and the Issuer Administrator on its behalf, 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) in other securities provided that (I) each Rating Agency has provided a Rating Agency Confirmation in respect of such investments, or (II), in respect of Moody's only, by the 15th calendar day after Moody's was notified of such investments, it has not indicated (i) which further information it needs to receive before it is in a position to grant a Rating Agency Confirmation or (ii) that the then current rating assigned by it to any of the Notes will be downgraded below the Minimum Ratings or, if the then current ratings are below the Minimum Ratings, that the then current ratings will be adversely affected (the "**Issuer Eligible Investments**" and together with the Asset Purchaser Eligible Investments as defined under *Credit Structure Asset Purchaser*, 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 and the Issuer Pre-Funded 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 having at least the GIC Provider Required Rating or (iii) to find any other solution acceptable to the Security Trustee, provided that (A) each Rating Agency has provided a Rating Agency Confirmation in respect of such solution, or (B), in respect of Moody's only, by the 15th calendar day after Moody's was notified of such solution, it has not indicated (i) which further information it needs to receive before it is in a position to grant a Rating Agency Confirmation or (ii) that the then current rating assigned by it to any of the Notes will be downgraded below the Minimum Ratings or, if the then current ratings are below the Minimum Ratings, that the then current ratings will be adversely affected.

### 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 (vi) 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 (vi) together the **"Issuer Interest Available Amount"**):

- (i) as interest and IC Loan Costs on each IC Loan and as interest and as principal on the Subordinated Loans;
- (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 D 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 D 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 the Asset Purchaser on such date;
- (b) *second*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, of administration fees and expenses due and payable to the Issuer Administrator under the Issuer Administration Agreement;
- (c) *third*, in or towards satisfaction, *pro rata*, according to the respective amounts thereof, (i) of any amounts due and payable to third parties under obligations incurred in the Issuer's business (other than under the 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 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 (m) 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 satisfaction of replenishment of the Unreserved Ledger of the Issuer Reserve Account up to the amount of the Unreserved Ledger Required Amount;
- (m) *thirteenth*, 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;
- (n) *fourteenth*, in or towards satisfaction of an Interest Discount Payment to the Asset Purchaser.

#### **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 (ix) 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 in accordance with the Issuer Trust Deed;
- (iii) the net proceeds from the issue of any Notes, other than Class D Notes, issued during that Issuer Collection Period;
- (iv) amounts to be received from the Issuer Currency Swap Counterparty under any 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;
- (vi) after the occurrence of a Trigger Event, any amounts standing to the credit of the Issuer Pre-Funded Account;
- (vii) as amounts released from the Issuer Pre-Funded Account towards redemption of Notes on the Step-up Date of such Notes;

less:

- (viii) 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;
- (ix) the amounts to be paid to any Issuer Currency Swap Counterparty under any Issuer Currency Swap Agreement to the extent relating to principal (and not included in the Issuer Interest Priority of Payments).

Any amounts to be paid by the Issuer under any Issuer Currency Swap Agreement to the extent relating to principal will be paid directly by the Issuer to the relevant Issuer Currency Swap Counterparty.

### **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 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 the Asset Purchaser on such Monthly Payment Date or on any date thereafter up to (but excluding) the immediately succeeding Monthly Payment Date or (ii) the purchase of Notes (other than the Class D Notes), subject to the Conditions and the Issuer Trust Deed on such Monthly Payment Date or on any date thereafter up to (but excluding) the immediately succeeding Monthly Payment Date and (b) on any date use the proceeds of the issue of a Class of Notes and the Issuer Pre-Funded Amount (or part thereof) towards the purchase of Notes 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 D 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 (the "**Issuer Pass-through Principal Available Amount**") will, in the case of mandatory redemption within the meaning of Condition 6(b), be equal to the sum of (i) the Asset Purchaser Pass-through Payable Amount payable in the relevant Issuer Collection Period and (ii)

$A \times B/C$

where:

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

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 D 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 D 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 D Notes, outstanding at such Note Payment Date.

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

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

The "**Pro-rata Condition**" shall mean, in respect of a 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 C 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 the granting of further IC Loans; and
- (v) *fifth*, 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.

#### 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 been declared subject to (i) suspension of payments ("*surseance van betaling*"), or if applicable, emergency regulations ("*noodregeling*") as referred to in the Act on Financial Supervision ("*Wet op het financieel toezicht*" or "Wft") which has continued for a period of one month, whereby such suspension of payments, or if applicable, emergency regulations, is deemed to have continued of one month if the 403-Guarantor or any Seller has been declared subject to such suspension of payments or, if applicable, emergency regulations and the Security Trustee has not been provided with sufficient proof that such suspension of payments or, if applicable, emergency regulations have been lifted within one month or (ii) bankruptcy ("*faillissement*") or (iii) for any analogous insolvency proceedings under any applicable law;

#### Priority of Payments upon Enforcement

Prior to the delivery of an Enforcement Notice but after the delivery of an Asset Purchaser 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 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 Administrator and the Pool Servicer under the Issuer Administration Agreement and the Asset Purchaser Servicing Agreement respectively;
- (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 (k) 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, *pro rata*, in accordance with the respective amounts thereof, 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;
- (l) *thirteenth*, in or towards satisfaction, *pro rata* in accordance with the respective amounts thereof (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 D 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 (k) 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 (l) 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 D 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 D Notes to be made on such date.

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

On a Note Payment Date on which any Class D Note is repaid in full (for the avoidance of doubt, except for any Class D Principal Shortfall on such Class D Note), the Issuer Administrator will credit a sub-ledger of the Reserved Ledger of the Issuer 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 D Principal Shortfall, if any, in respect of such Class D 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 D 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 D 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 D Notes of a Series and Class, or, if such Class D 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 D Notes of that Series and Class or Sub-class thereof, divided by the Principal Amount Outstanding of all Class D Notes on such Note Payment Date (after giving effect to any issue of Class D Notes on such date, but before any repayment of any Class D 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 D 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 D Notes of the relevant Series and Class or Sub-class.

#### **Subordinated Loan**

On each Note Payment Date on which the amounts credited to the Reserved Ledger of the Issuer Reserve Account exceed the lower of (i) the Class C Required Subordinated Amount and (ii) the Principal Amount Outstanding of all Class D Notes, the Issuer will advance an amount equal to the amount by which the Reserve Ledger exceeds the lower of items (i) and (ii) (the Subordinated Loan Minimum Amount) to the Asset Purchaser as Subordinated Loans (after taking into account any Reserve Ledger Release and any Reserved Ledger Repayment Debit on such date). The amount will be advanced on a pro rata basis to all Asset Purchasers by reference to the amounts recorded on the IC Loan Principal Deficiency Ledger on such Notes Payment Date (after application of the Asset Purchaser Interest Available Amount, without taking into account any Subordinated Loans advanced on such date). The Asset Purchaser has an obligation to accept such Subordinated Loan. Each Subordinated Loan will be credited to the IC Loan Principal Deficiency Ledger (outside the Asset Purchaser Interest Priority of Payments) and will form part of the Asset Purchaser Principal Available Amount on such date.

#### **Issuer Pre-Funded Account**

The Issuer will maintain with the Issuer GIC Provider the Issuer Pre-Funded Account. The Issuer will credit to the Issuer Pre-Funded Account any part of the net proceeds of the issue of the Notes (other than the Class D Notes) which has not been used to grant IC Loans or to purchase Notes. With respect to the Issuer Pre-Funded Amount, no conditions are applicable, including conditions with regard to the level of the Issuer Pre-Funded Amount and the period during which it can be held in deposit on the Issuer Pre-Funded Account. This may have the result that the net proceeds of the issue of Notes will not immediately be applied to grant IC Loans or to purchase Notes. The rate of interest on the Issuer Pre-Funded Account is equal to the weighted average interest rate on the Notes during the relevant period. The Issuer Pre-Funded Amount will only be applied by the Issuer (i) to grant IC Loans to the Asset Purchaser or (ii) to purchase Notes (other than the Class D Notes) on any date or (iii) to redeem Notes on the Step-up Date of such Notes. The Issuer shall release from the Issuer Pre-Funded Account, to the extent available, an amount equal to the amount required to redeem each Note on the Step-up Date of such Note.

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

An Issuer Interest Deficiency Ledger (the "**Issuer Interest Deficiency Ledger**") comprising four sub-ledgers, known as the "**Class A Interest Deficiency Ledger**", the "**Class B Interest Deficiency Ledger**", the "**Class C Interest Deficiency Ledger**" and the "**Class D 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 three sub-ledgers, known as the "**Class A Principal Deficiency Ledger**", the "**Class B Principal Deficiency Ledger**" and the "**Class C Principal Deficiency Ledger**" respectively, will be established by or on behalf of the Issuer in order to record any

amounts standing to the credit of the IC Loan Principal Deficiency Ledger (the balance standing to the Issuer Principal Deficiency Ledger respectively the "**Class A Principal Deficiency**", the "**Class B Principal Deficiency**" and the "**Class C Principal Deficiency**", together a "**Issuer Principal Deficiency**").

The balance on the Class C Principal Deficiency Ledger will be an amount equal to the aggregate balance on the IC Loan Principal Deficiency Ledger on the relevant Note Payment Date (for the avoidance of doubt, as reduced by any amounts credited to the IC Loan Principal Deficiency Ledger on such date after application of the 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 the IC Loan Principal Deficiency Ledger does not exceed the Principal Amount Outstanding on all Class C Notes.

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 Asset Purchaser Interest Available Amount) exceeds the Principal Amount Outstanding on all Class C Notes outstanding on such date but only to the extent the balance on the IC Loan Principal Deficiency Ledger (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 and all Class C Notes, the balance on the Class B Principal Deficiency Ledger will be an amount equal to the balance on the IC Loan Principal Deficiency Ledger less (i) the balance on the Class C Principal Deficiency Ledger on such date and (ii) 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 Asset Purchaser Interest Available Amount) exceeds the Principal Amount Outstanding on all Class B Notes and all Class C Notes outstanding on such date, the balance on the Class A Principal Deficiency Ledger will be an amount equal to the balance on the IC Loan Principal Deficiency Ledger less (i) the balance on the Class B Principal Deficiency Ledger on such date, (ii) the balance on the Class C Principal Deficiency Ledger on such date and (iii) less any amounts on the balance of the Reserved Ledger on such date.

Amounts credited to the Issuer Principal Deficiency Ledger in accordance with items (f), (h) and (j) 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 Ledger 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. Each Issuer Currency Swap Agreement 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 such Issuer Currency Swap Agreement 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 an 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 provided that (A) each Rating Agency has provided a Rating Agency Confirmation in respect of such action, or (B), in respect of Moody's only, by the 15th calendar day after Moody's was notified of such action, it has not indicated (i) which further information it needs to receive before it is in a position to grant a Rating Agency Confirmation or (ii) that the then current rating assigned by it to any of the Notes will be downgraded below the Minimum Ratings or, if the then current ratings are below the Minimum Ratings, that the then current ratings will be adversely affected.

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 Purchaser thereof. Pursuant to the IC Loan Agreement the Asset Purchaser undertakes its best efforts to repay a *pro rata* part of the IC Loans or any other allocation agreed between the Issuer and the 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 the 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. 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 the Paying Agent for cancellation in accordance with the Paying Agency Agreement. Any Subordinated Notes so purchased by the Issuer should be surrendered to the Paying Agent 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 (thirty 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 June 2010 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 30 per cent. post Second World War to 59 per cent.<sup>0</sup> in recent years. This rate is still lower than average for the rest of Europe. Moreover home ownership in the Netherlands is mainly concentrated in rural areas (70 per cent).<sup>0</sup> While growing, the owner occupation rates in the cities is around 45 per cent.<sup>0</sup> 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

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 2.18 in 2011 and 2.07 in 2030 from 2.33 in November 2008.

From a macroeconomic perspective, The Netherlands has the fourth highest gross domestic product 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 were offset by a very tight labour market.

By EU standards, unemployment in the Netherlands is low and is expected to stay comparatively low, from 3.7% in 2008 to 5,3% in 2009, it reached 5,5 in 2010<sup>0</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

<sup>0</sup> Source: VROM (Ministry for Housing, Spatial Planning and Environment)

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

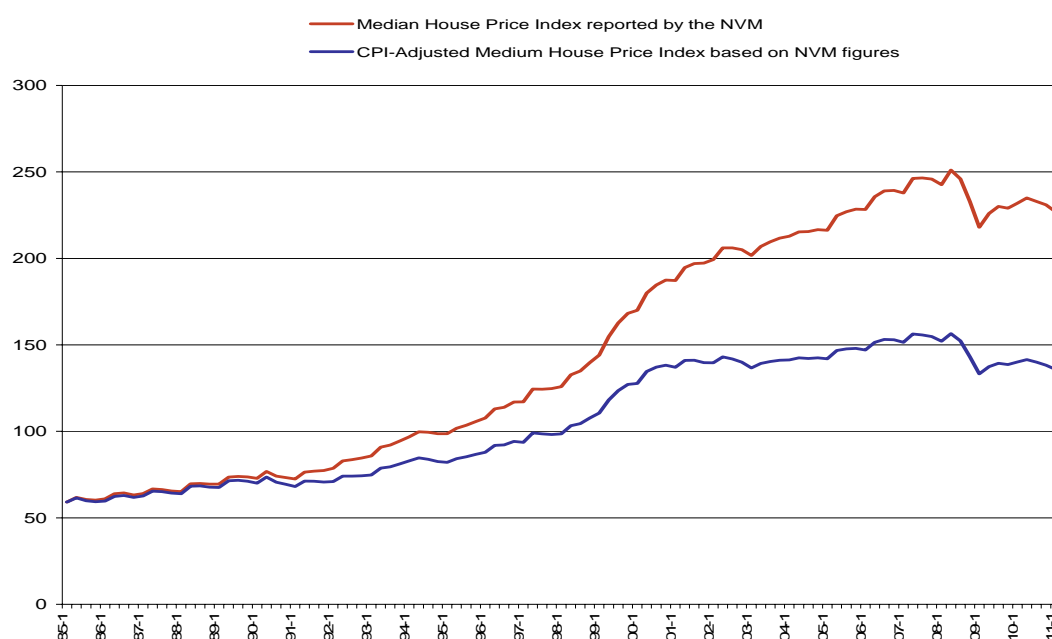
<sup>3</sup> Source: VROM (Ministry for Housing, Spatial Planning and Environment)

<sup>4</sup> Source: ABN AMRO Group Economics quotes CBS (Statistics Bureau Netherlands)

downturn experienced during the years 1980 and 1981. House prices dropped substantially towards the end of the 1970's and only slowly recovered thereafter. Since 1991 house prices inflation has gradually picked up and peaked in the second half of the 1990's.

Subsequent to a period of more modest house price growth since 2001, the trend strengthened between 2004 and 2006, as mortgage interest rates reached their lowest point since the 1950's in mid 2005. Average house prices reached their peak in Q2, 2008 (EUR 251,000) and due to the economic turmoil sharply dropped until Q1, 2009 (EUR 218,590). Since then prices experienced a slight growth until Q2, 2010 and currently are decreasing (EUR 227,000 in Q1, 2011).<sup>0</sup>

Chart 1 Historical House Prices in the Netherlands



The number of the houses sold reached its maximum in December, 2003 (24,651 houses). The number of transactions show a decreasing tendency: 9558 houses were sold in February 2011.<sup>0</sup>

### Relatively high Loan-to-Values

The tax deductibility of mortgage interest results in relatively high loan to value ratios. The maximum loan-to-value in the Netherlands for existing property is generally 125% of the foreclosure value (or 130% if the last 5% is used for a down-payment on a payment protection insurance). The foreclosure value is generally approximately 85% of the market value. Borrowers often have considerable investments and savings available but choose not to use such funds to acquire a house or to repay their mortgage but instead to minimize their tax liabilities.

### Mortgage types

The most common term of legal life is thirty years, corresponding with the maximum allowable for tax deductibility. Because of the fiscal treatment, mortgage loans with no redemption on the principal such as investment-based mortgages, savings mortgages and interest-only mortgages are most popular. Under these mortgages no principal is repaid during the term of the contract. Instead, the borrower makes payments in a saving account, endowment insurance or investment fund. Upon maturity the loan is repaid with the money in the savings account, the insurance contract or the investment fund respectively. The government encourages this method of redemption by exempting

<sup>0</sup> Source: NVM (National Association of Real Estate Brokers)

<sup>0</sup> Source: NVM (National Association of Real Estate Brokers)



from tax the capital sum received under the policy, up to a certain amount, including annual indexing, provided the term of insurance is at least twenty years. In addition, the insurance policies are exempted from wealth tax.

#### **Long term fixed interest periods most popular**

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

#### **Mortgage portfolio reset due to high prepayments**

Borrowers are allowed to prepay 10% to 20% free of penalty per year. In addition, full prepayment without penalty can only be made at times of interest rate resetting, on sale of the property or in case of death of the borrower. Otherwise a penalty is calculated as the net present value of the difference between the contract rate and the applicable market rate. Interest rates have decreased since the early 1990s, which has made it attractive for borrowers to refinance their mortgage loans in the past decade. The increasing role of intermediaries also had a stimulating effect on prepayments. This resulted in a mortgage portfolio that is characterized by relative low mortgages rates and long fixed interest rates.

#### **Relatively low defaults**

Despite the relatively high loan-to-foreclosure value ratios, default losses have always been relatively low. During the decrease in house prices (1978-1982) losses peaked up to 30 basis points on an annual basis. In the following years losses have been negligibly low. Currently default losses are showing an upward trend due to the recession and declining house prices.

Defaults and foreclosures will probably rise in the near future due to rising unemployment. However, the delinquency rate in the Netherlands is the lowest in Europe (less than 0,5%) and barely rising. In most cases Dutch households manage to recover from delinquency avoiding a foreclosure. Therefore it is not expected that rising foreclosures will cause remarkable increases in the supply of private dwellings.

#### **National credit register (BKR) to prevent over-indebtedness**

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

## ABN AMRO BANK N.V. AND THE SELLERS

The Sellers under the Programme are ABN AMRO Bank N.V., ABN AMRO Hypotheken Groep B.V., MoneYou B.V. and Woonnexxt Hypotheken B.V. ABN AMRO Hypotheken Groep B.V., MoneYou B.V. and Woonnexxt Hypotheken B.V. are direct or indirect subsidiaries of ABN AMRO Bank N.V.

### Incorporation

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

### History and recent developments

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

### Business overview

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

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

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

#### *Retail banking*

ABN AMRO Retail Banking is the number 3 retail bank in the Netherlands, serving approximately 6.8 million individuals and offering professional advice and best-in-class products to retail clients at all stages of their lives.

#### *Mortgage loans*

The Dutch residential mortgage loan market is a competitive and mature market that is increasingly influenced by rules and regulations for credit policy, cost transparency and remuneration of intermediaries. ABN AMRO offers mortgage loans in the Netherlands under various brands, ensuring flexibility and free choice for clients. The bank mainly offers mortgage loans under the brands ABN AMRO (main brand), Florius (focused on intermediaries) and MoneYou (online). ABN AMRO also offers private and white labelled products to large intermediaries and insurance companies. The combined market share of all ABN AMRO brands in the Dutch mortgage market is approximately 20% (new origination) (Source: Dutch Land Registry Office (*Kadaster*)).

### Subsidiaries related to the offering of residential mortgage loans

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

- **Direktbank N.V.**

Direktbank N.V. (Direktbank) sells mortgage loans and service products and works exclusively with independent mortgage loan advisors. Direktbank is the result of a merger on 30 August 2010 between Direktbank and Fortis Hypotheek Bank N.V. following which Direktbank N.V. was the surviving entity and Fortis Hypotheek Bank N.V. was the disappearing entity. Direktbank N.V. is registered with the Amsterdam Trade Register under number 33026564 and has its office in Amstelveen. On 31 May 2011, Direktbank N.V. became a fully owned subsidiary of ABN AMRO Hypotheken Groep B.V. Direktbank N.V. sells mortgages through its subsidiaries Alkmaar Hypotheken B.V., Oosteroever Hypotheken B.V., Quion 9 B.V. For the avoidance of doubt, receivables related to mortgage loans originated by Direktbank N.V. or any of its subsidiaries will not be sold and assigned to the Asset Purchaser under the Programme.

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

ABN AMRO Hypotheken Groep B.V., a subsidiary of ABN AMRO Bank N.V. founded in January 2006, is the supplier of all ABN AMRO Bank N.V. labelled residential mortgage products while also being the legal and economic owner of the residential mortgage portfolios of its Florius brand and of its subsidiary MNF Bank NV and Woonnexxt Hypotheken B.V. Product development, sales, marketing, risk management and collections are also conducted through ABN AMRO Hypotheken Groep B.V. On 31 May 2011, ABN AMRO Hypotheken Groep B.V. acquired the shares in Direktbank B.V.

- **WoonNexxt Hypotheken B.V.**

WoonNexxt Hypotheken B.V. develops mortgages in collaboration with insurance companies, and bigger distribution partners such as franchise organizations. These mortgages are marketed by the partners under their own name. Proposal, offering, completion and acceptance of a loan are handled by ABN AMRO Hypotheken Groep.

- **MoneYou B.V.**

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

### 403 Statements

ABN AMRO Group N.V. has issued statements of joint and several liability within the meaning of Article 403, subsection 1, paragraph f, Book 2 of the Dutch Civil Code ("*Burgerlijk Wetboek*") for debts resulting from legal acts of ABN AMRO Bank N.V., ABN AMRO Hypotheken Groep B.V., Woonnexxt Hypotheken B.V. and MoneYou B.V. Pursuant to these statements, ABN AMRO Group N.V. is jointly and severally liable with ABN AMRO Bank N.V. ABN AMRO Hypotheken Groep B.V., Woonnexxt Hypotheken B.V. or MoneYou B.V. for debts resulting from legal acts of ABN AMRO Bank N.V. ABN AMRO Hypotheken Groep B.V., Woonnexxt Hypotheken B.V. or MoneYou B.V., as applicable. See also *Risk of withdrawal of, and termination of liability under, the 403-Declarations* in Risk Factors.

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

In respect of each issue of Notes under the Programme, ABN AMRO Bank N.V. (i) in its capacity as Seller, and (ii) with respect to ABN AMRO Hypotheken Groep B.V. WoonNexxt Hypotheken B.V. and MoneYou B.V., in its capacity as allowed entity under paragraph 2 of the Directives 2006/48/EC and 2006/49/EC, as amended by Directive 2009/111/EC, as the same may be amended from time to time (the "**Capital Requirements Directive**"), shall, or undertakes that any entity designated by ABN AMRO Bank N.V. as allowed entity under paragraph 2 of article 122a of the Capital Requirements Directive shall, retain, on an ongoing basis, a material net economic interest which, in any event, shall not be less than 5%. At the date of this Base Prospectus such undertaking is complied with in accordance with item (a) of article 122a paragraph 1 of the Capital Requirements Directive, by holding at least 5% of the Notes of each tranche (i.e. Class) issued under the Programme. The Sellers shall in each Notes Purchase Agreement undertake compliance with article 122a of the Capital Requirements Directive to the relevant Managers and the Issuer.

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

In each Notes Purchase Agreement, each Seller shall undertake to the relevant Managers and the Issuer that it shall at all times comply with Dutch Regulation Securitisations of 26 October 2010 (*'Regeling securitisaties Wft 2010'*) implementing *inter alia* article 122a of the Capital Requirements Directive.

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

## DESCRIPTION OF MORTGAGE LOANS

The Mortgage Receivables to be sold and assigned to the Asset Purchaser are any and all rights (whether actual or contingent) of the relevant Seller, against any Borrower under or in connection with any Mortgage Loan selected by agreement between the relevant Seller and the Issuer.

The Mortgage Loans are loans secured by a mortgage right, evidenced by notarial mortgage deeds ("*notariële akten van hypotheekstelling*") entered into by the relevant Seller, or the relevant Borrowers.

The Mortgage Loans have been selected according to the Eligibility Criteria list set forth in the Mortgage Receivables Purchase Agreement and are selected in accordance with the terms of such agreement on or before the Issue Date (see *Mortgage Receivables Purchase Agreement*).

For a description of the representations and warranties given by each Seller, reference is made to *Mortgage Receivables Purchase Agreement* below.

### Mortgaged Assets

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

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

### Mortgage Types

The Sellers offer a selection of mortgage products. The pool contains various distinguishable repayment types; interest only, annuity, linear, life growth mortgages, life mortgages and savings mortgages. These repayment types can be combined within a Mortgage Loan.

#### *Interest Only Mortgages*

Interest only mortgage loans ("**Interest Only Mortgage Loans**") are Mortgage Loans on which only interest is due until maturity of the Mortgage Loan.

#### *Annuity Mortgage Loans*

Annuity mortgage loans ("**Annuity Mortgage Loans**") are characterised by equal periodical payments by the Borrower. These payments contain both interest and principal redemption on the Mortgage Loan. As with each payment part of the Mortgage Loan is redeemed, the interest charge declines between each successive payment. The redemption part of the periodical payment rises in such a way that the total payment amount is constant and the remaining balance of the Mortgage Loan at maturity will be zero.

#### *Linear Mortgage Loans*

Linear mortgage loans ("**Linear Mortgage Loans**") are Mortgage Loans on which the periodical payment consists of a constant amount for redemption plus an amount of interest based on the remaining loan balance. The balance of the Mortgage Loan is thus being repaid in a straight-line fashion i.e. linear, and will be zero at maturity, while the interest payment declines between payments.

#### *Hybrid Mortgage Loans*

The Mortgage Loans may be in the form of hybrid mortgage loans ("*hybride hypotheeken*", hereinafter "**Hybrid Mortgage Loans**"). Hybrid Mortgage Loans are Mortgage Loans (or loan-parts) consisting of the combination of an

interest only mortgage loan (or loan-part) and an insurance policy connected thereto, hereinafter the "**Hybrid Insurance Policy**"). A Hybrid Insurance Policy is a combined risk- and capital insurance policy. Under such Hybrid Insurance Policy, the Borrower pays a premium or a sum up front ("*koopsom*") under the Hybrid Insurance Policy to the relevant Savings Insurance Company consisting of a risk element and a capital element.

In the case of life growth mortgage loans ("*meegroei-hypotheek*", hereinafter "**Life Growth Mortgage Loans**") the capital element of the premium may consist of an investment part and/or a savings part, the size of which is determined by the Borrower subject to limitations stipulated by the offeror of the Life Growth Mortgage Loans in the conditions applicable to the Life Growth Mortgage Loan. The amount of the investment part will be invested by the Savings Insurance Company in certain investment funds or in certain capital market interest fund (the "**Investment Alternative**"), as agreed in writing with the Borrower in advance or in the switch form. The amount of the savings part will be deposited by the Savings Insurance Company on a savings account (the "**Savings Alternative**"). The Borrower can switch from the Investment Alternative to the Savings Alternative and vice versa by means of a switch form. The Borrower may switch between the Investment Alternative and the Savings Alternative and within the Investment Alternative between the investment funds and the capital market interest fund. The part of the Life Growth Mortgage Receivable that corresponds with the Investment Alternative under the Life Growth Policy is called the "**Investment Part**" and the part of the Life Growth Receivable that corresponds with the Savings Alternative under the Life Growth Policy is called the "**Savings Part**".

In the case of asset growth mortgage loans ("*vermogensgroei hypotheek*" hereinafter the "**Asset Growth Mortgage Loans**") the capital element of the premium or sum up front will through an asset growth account ("*Vermogensgroei rekening*" hereinafter the "**Asset Growth Account**") be invested in certain investment funds or in certain capital market interest fund (the "**Investment Alternative**"), depending on the manner determined by the Borrower subject to limitations stipulated by the offeror of the Asset Growth Mortgage Loans in the conditions applicable to the Asset Growth Mortgage Loans. The Borrower may agree to periodically withdraw certain predetermined sums.

The Life Growth Mortgage Loans and the Asset Growth Mortgage Loans and other Mortgage Loans with the substantially the same or comparable characteristics together are hereinafter referred to as Hybrid Mortgage Loans.

#### *Life Mortgage Loans*

The Mortgage Loans (or parts thereof) may be in the form of life mortgage loans ("*leven hypotheek*", hereinafter the "**Life Mortgage Loans**"). A Life Mortgage Loan consists of a Mortgage Loan entered into by the relevant Seller and the relevant Borrowers, which has the benefit of combined risk insurance policies (i.e. a policy relating to an insurance which pays out upon the death of the insured) and capital insurance policies taken out by Borrowers with any insurance company situated in the Netherlands (the "**Life Insurance Companies**") in connection with a Life Mortgage Loan (the "**Life Insurance Policies**"). Under a Life Mortgage Loan the Borrower pays no principal, but interest and premium under the Life Insurance Policy. The premium consists, apart from a cost element, of a risk element and a capital element. There are different types of Life Insurance Policies, their difference depending on the way in which the capital element of the premium is invested by the Life Insurance Company and on the way in which the risk element of the premium is calculated. The capital element is invested in certain investment funds. The proceeds of the Life Insurance Policy will be applied towards the repayment of the Mortgage Loan at maturity of such policy. The insurance proceeds are due either at the end of the term of the Life Insurance Policy (which is generally thirty (30) years) or, if earlier, upon the death of the Borrower.

#### *Savings Mortgage Loans*

The Mortgage Loans (or parts thereof) may be in the form of savings mortgage loans ("*spaar hypotheek*", hereinafter "**Savings Mortgage Loans**"), which consist of Mortgage Loans entered into by the relevant Seller and the relevant Borrowers combined with a savings insurance policy (the "**Savings Insurance Policy**") with the relevant insurance company situated in the Netherlands (the "**Savings Insurance Company**"). A Savings Insurance Policy is a combined risk insurance policy (i.e. a policy relating to an insurance which pays out upon the death of the insured) and capital insurance policy taken out by the relevant Borrower with the Savings Insurance Company (and together with the Life Insurance Companies, the "**Insurance Companies**") in connection with the relevant Savings Mortgage Loan. Under the Savings Mortgage Loan no principal is paid by the Borrower prior to maturity of the Mortgage Loan. Instead, the

Borrower/insured pays on a monthly basis premium, which consists of a risk element and a savings element (the "**Savings Premium**"). The Savings Premium is calculated in such a manner that, on an annuity basis, the proceeds of the Savings Insurance Policy due by the Savings Insurance Company to the relevant Borrower is equal to the amount due by the Borrower to the relevant Seller at maturity of the Savings Mortgage Loan.

#### *Investment Mortgage Loans*

The Mortgage Loans (or parts thereof) may be in the form of investment mortgage loans (the "**Investment Mortgage Loans**"). Under Investment Mortgage Loans the Borrower does not pay principal prior to maturity of the Mortgage Loan, but undertakes to invest on an instalment basis or by means of a lump sum investment an agreed amount in certain investment funds. It is the intention that the Investment Mortgage Loans will be fully or partially repaid by means of the proceeds of these investments. The rights under these investments are pledged to the relevant Seller as security for repayment of the relevant Investment Mortgage Loan. An example of an Investment Mortgage Loan is an asset mortgage loan ("*vermogenshypotheken*") hereinafter the "**Asset Mortgage Loans**") which have been sold by ABN AMRO Bank until October 2002.

#### *Bank Savings Mortgage Loans*

The Mortgage Loans (or parts thereof) may be in the form of bank savings mortgage loans ("*bankspaarhypotheken*" or "**Bank Savings Mortgage Loans**") which consist of Mortgage Loans entered into by the relevant Seller and the relevant Borrower combined with a blocked savings account (the "**Bank Savings Account**"). Under the Bank Savings Mortgage Loan no principal is paid by the Borrower prior to the maturity of the Mortgage Loan. Instead, the Borrower pays a monthly deposit in the Bank Savings Account (the "**Bank Savings Deposit**"). The Bank Savings Deposit is calculated in such a manner that, on an annuity basis, the balance standing to the credit of the Bank Savings Account is equal to the relevant part of the amount due by the Borrower to the relevant Seller at maturity of the Bank Savings Mortgage Loan. The balances standing to the credit of the Bank Savings Accounts are pledged to the relevant Seller as security for repayment of the relevant Bank Savings Mortgage Loan.

Bank Savings Mortgage Loans may be entered into by ABN AMRO Bank, MoneYou, ABN AMRO Hypotheken Groep or WoonNexxt Hypotheken, as the case may be, and the relevant Borrower combined with a blocked savings account (the "**Bank Savings Account**") held with ABN AMRO Hypotheken Groep.

#### **Interest Rates**

The Sellers offer different floating rate interest periods (1 months and Euribor based) and fixed interest rate periods (1,2,3,5,6,7,10,12,15,17, 20, 22, 25 and 30 years fixed). With respect to certain of the fixed rate interest periods the last two years can consist of a so-called reconsider period ("*rentebedenktijd*"). During a reconsider period the Borrower may choose to reset his rate to the then existing interest rate, for a new fixed interest rate period. At an interest reset date, the Borrower may opt for a floating rate of interest.

In addition to fixed interest rates and floating interest rates as set out above, ABN AMRO Bank as Seller offers Buffer Interest, in which case a fixed base rate and a margin and a floating interest rate are agreed in the relevant Mortgage Loan. If during the term of the relevant loan the then current floating interest rate:

- exceeds or is lower than the base rate by no more than the margin, then the base rate applies;
- exceeds or is lower than the base rate by more than the margin, then the base rate is increased or decreased with the difference between (a) the base rate plus or minus (as the case may be) the margin and (b) the then current floating interest rate.

## NHG GUARANTEE PROGRAMME

### NHG Guarantee

Since 1 January 1995 a central privatised entity, "Stichting Waarborgfonds Eigen Woningen" (the "**WEW**"), is responsible for administration and granting of the "*Nationale Hypotheek Garantie*" ("**NHG Guarantee**") under a set of uniform rules. The NHG Guarantee covers the outstanding principal, accrued unpaid interest and disposal costs. Irrespective of scheduled repayments or prepayments made on the mortgage loans, the NHG Guarantee reduces on a monthly basis by an amount which is equal to the monthly payments (principal and interest) as if the mortgage loan were being repaid on a thirty year annuity basis. In respect of each mortgage loan, the NHG Guarantee reduces further to take account of scheduled repayments and prepayments under such mortgage loan. Also, amounts paid as savings or investment premium under savings insurance policies or life insurance policies, respectively, are deducted from the amount outstanding on such mortgage loans for purposes of the calculation of the amount guaranteed under the NHG Guarantee (See *Risk Factors*).

### Financing of the WEW

The WEW finances itself, *inter alia*, by a one-off charge to the borrower of 0.55 per cent. of the principal amount of the mortgage loan (as of 1 January 2008). Besides this, the scheme provides for liquidity support to the WEW from the State of the Netherlands and the participating municipalities. Should the WEW not be able to meet its obligations under guarantees issued, the State of the Netherlands will provide subordinated interest free loans to the WEW of up to 50 per cent. of the difference between the WEW's own funds and a pre-determined average loss level. Municipalities participating in the NHG scheme will provide subordinated interest free loans to the WEW of the other 50 per cent. of the difference. Both the keep well agreement between the State of the Netherlands and the WEW and the keep well agreements between the municipalities and the WEW contain general 'keep well' undertakings of the State of the Netherlands and the municipalities to enable the WEW at all times (including in the event of bankruptcy ("faillissement", suspension of payments ("surseance van betaling" or liquidation ("ontbinding") of the WEW) to meet its obligations under guarantees issued.

As described above, WEW receives fees for the issue of NHG Guarantees. WEW uses such fees, *inter alia*, to pay claims made under NHG Guarantees. If the fees received are insufficient to pay the claims made under NHG Guarantees, the Dutch State and the participating municipalities provide liquidity support to WEW.

Should WEW not have sufficient funds to be able to meet its obligations under guarantees issued, then:

- for all loans issued before 1 January 2011 the State of the Netherlands will provide subordinated interest free loans to WEW of up to 50 per cent. of the difference between WEW's own funds and a pre-determined average loss level. Municipalities participating in the NHG scheme will provide subordinated interest free loans to WEW of the other 50 per cent. of the difference.
- for all loans issued on or after 1 January 2011 the State of the Netherlands will provide subordinated interest free loans to WEW of up to 100 per cent. of the difference between WEW's own funds and a pre-determined average loss level.

### Terms and conditions of the NHG Guarantee

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

The specific terms and conditions for the granting of NHG Guarantees, such as eligible income, purchasing or building costs etc., are set forth in published documents by WEW.

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



financial institutions in the Netherlands. All financial commitments over the past five years that prospective borrowers have entered into with financial institutions are recorded in this register. In addition, as of 1 January 2008 the applicant itself must be verified with the Foundation for Fraud Prevention of Mortgages (*Stichting Fraudepreventie Hypotheken*; "SFH"). If the applicant has been recorded in the SFH system, no NHG Guarantee will be granted.

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

The Mortgage Conditions should include certain provisions, among which the provision that any proceeds of foreclosure on the mortgage right and the right of pledge on the life insurance policy or the investment funds shall be applied firstly towards repayment of the mortgage loan guaranteed under the NHG scheme.

### **Claiming under the NHG Guarantees**

When a borrower is in arrears with payments under the mortgage loan for a period of four months, a lender informs the WEW in writing within 30 days of the outstanding payments, including the guarantee number, borrower's name and address, information about the underlying security, the date of start of late payments and the total of outstanding payments. When the borrower is in arrears the WEW may approach the lender and/or the borrower to attempt to solve the problem and make the borrower aware of the consequences. If an agreement cannot be reached, the WEW reviews the situation with the lender to endeavour to generate the highest possible proceeds from the property. The situation is reviewed to see whether a private sale of the property, rather than a public auction, would generate proceeds sufficient to cover the outstanding mortgage loan. Permission of the WEW is required in case of a private sale unless sold for an amount higher than the foreclosure value. A forced sale of the mortgaged property is only allowed in case the borrower is in arrears with payments under the mortgage loan for a period of seven or more monthly instalments, unless the WEW has agreed that the forced sale may take place for other reasons or within a period of seven months.

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

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

### **Additional loans**

Furthermore, on 1 July 2005 provisions were added to the NHG Conditions pursuant to which a borrower who is or threatens to be in arrears with payments under the existing mortgage loan may have the right to request the WEW for a second guarantee to be granted by it in respect of an additional mortgage loan to be granted by the relevant lender. The monies drawn down under the additional loan have to be placed on deposit with the relevant lender and may, up to a maximum period of two years, be used for, *inter alia*, payment of the amounts which are due and payable under the existing mortgage loan, interest due and payable under the additional mortgage loan and the costs made with

respect to the granting of the additional mortgage loan. The relevant borrower needs to meet certain conditions, including, *inter alia*, the fact that the financial difficulties are caused by a divorce, unemployment, disability or death of the partner.

#### **Main NHG Underwriting Criteria ("Normen") per 2011**

With respect to a borrower, the underwriting criteria include but are not limited to:

1. The lender has to perform a BKR check. "A" and "A1" registrations are allowed in certain circumstances.
2. As a valid source of income the following applies: indefinite contract of employment, temporarily contract of employment if the employer states that the employee will be provided an indefinite contract of employment in case of equal performance of the employee and equal business circumstances, for flexworkers or during a probational period ("*proeftijd*") a three year history of income statements, for self employed three year annual statements.
3. The maximum loan based on the income will be based on the "woonquote" tables and an annuity style redemption (even if the actual loan is (partially) interest only). The mortgage lender shall calculate the borrowing capacity of a borrower of a mortgage loan with a fixed interest terms of less than 10 years on the basis of a percentage determined by the Dutch Association of Mortgage Lenders ("*Contactorgaan Hypothecair Financiers*" or "CHF") which is in turn based on the market interest on loans to the State of the Netherlands with a remaining life of 10 years, plus such margin as may be determined by the CHF. This margin is fixed for the time being at 1 percentage point. The mortgage lender may also apply a higher notional interest rate when calculating the borrowing capacity of the borrower. The mortgage lender shall calculate the borrowing capacity for a mortgage loan with a fixed interest term of 10 years or more on the basis of the interest rate actually charged by the mortgage lender during that fixed interest term.

With respect to the mortgage loan, the underwriting criteria include but are not limited to:

1. As of 1 July 2009 the absolute maximum loan amount is EUR 350,000. The loan amount is also limited by the amount of income and the market value of the property. With respect to the latter:
  - (a) For the purchase of existing properties, the loan amount is broadly based on the sum of (i) the lower of the purchase price and the market value based on a valuation report, (ii) the costs of improvements, (iii) 12 per cent. of the amount under (i) plus (ii). In case an existing property can be bought without paying transfer taxes ("*vrij op naam*"), the purchase amount under (i) is multiplied by 93 per cent..
  - (b) For the purchase of a property to be built, the maximum loan amount is broadly based on the sum of (i) purchase-/construction cost increased with a number of costs such as the cost of construction interest, VAT and architects (to the extent not included already in the purchase-/construction cost), (ii) 8 per cent. of the amount under (i).
2. The maximum loan amount that is interest only is 50% of the original value of the property.
3. The risk insurance policy should at a minimum cover the loan amount in excess of 80% of the market value.

## MORTGAGE LOAN UNDERWRITING AND SERVICING

The Sellers under the Programme apply identical rules and procedures in underwriting and servicing mortgage loans. The distribution channels vary among branches, independent intermediaries, insurer companies and bigger distribution partners, and internet. Acceptance criteria, limits and pricing are determined centrally by ABN AMRO Hypotheken Groep. Stater (a 100 % subsidiary of ABN AMRO Bank) acts as a servicer in relation to all Sellers. Special services are performed by either Solveon Incasso B.V., or HypoCasso B.V.

### Origination

ABN AMRO Bank N.V. originates loans predominantly via retail and local intermediary channels using the ABN AMRO Bank brand name. The mortgage origination process combines a centralised origination system with branch level input. The mortgage origination policy is determined within several head office departments of ABN AMRO Hypotheken Groep B.V. Locally operating branches of ABN AMRO Bank are involved in client contact. If authorised, the locally operating mortgage advisers are handling standard mortgage applications up to the point of final approval. Overrides and other specific situations are handled centrally by ABN AMRO Hypotheken Groep. For non-branch channels (i.e. local brokers) proposal, offering, completion and acceptance of a loan are handled by ABN AMRO Hypotheken Groep. From that point onwards Stater takes over the contact with the civil law notary, and the collecting of mortgage deeds.

The Florius label of ABN AMRO Hypotheken Groep sells mortgage loans via independent intermediaries. Given the prominent role independent mortgage brokers play in the Dutch residential mortgage market and the marginal costs of this channel of distribution, ABN AMRO Hypotheken Groep works intensively with independent mortgage brokers, who can provide clients with detailed advice on mortgage and insurance products. Proposal, offering, completion and acceptance of a loan are handled by ABN AMRO Hypotheken Groep

WoonNexxt Hypotheken develops mortgages in collaboration with insurance companies, and bigger distribution partners such as franchise organizations. These mortgages are marketed by the partners under their own name. Proposal, offering, completion and acceptance of a loan are handled by ABN AMRO Hypotheken Groep

MoneYou enables clients to directly request a quotation and take out a mortgage online. A mortgage advisor can assist them with telephone or face-to-face support. This channel serves second time buyers, and represents a small proportion of the portfolio. Proposal, offering, completion and acceptance of a loan are handled by ABN AMRO Hypotheken Groep

### Procedures

ABN AMRO Hypotheken Groep has introduced an automated lending decision management system ("**SAFE/Capstone**"). SAFE provides the rules and risk models that regulate the underwriting process. In addition, it acts to accelerate the processing time of decisions on a mortgage loan application. It includes the ability to tailor rules to the lender's risk and reward expectations and business policies by means of a credit scoring model.

First, the application data is entered into SHS ("**Stater Hypotheek System**") and combined with five year credit history of the applicant which is automatically collected from the BKR (National Credit Register). Second the application is automatically evaluated by SAFE, in order to assess whether the application complies with the minimum underwriting criteria. In case of violation of the underwriting criteria SAFE generates a STOP-rule, and a mortgage loan proposal cannot be sent out to the client. A STOP-rule relating to NHG-criteria cannot be overruled. In other cases, the relevant Seller will be contacted to see whether or not the STOP-rule may be overruled. Authorisation levels are the same for all third party servicers.

If the mortgage loan is accepted, the relevant Seller can make the applicant a mortgage loan proposal. Once the applicant accepts the proposal, the relevant Seller collects and reviews the signed proposal and all the other necessary mortgage loan documents. After completing the mortgage loan file and final acceptance thereof, the mortgage loan file is scanned onto HYARCHIS (mortgage archive system) which communicates with SHS. In addition,

after the final acceptance of the mortgage loan, information for the civil law notary is automatically generated and sent out.

### **Underwriting**

For all channels of origination, the Sellers carry out mortgage underwriting according to the guidelines set by central management of ABN AMRO Hypotheken Groep. The main focus in underwriting is on affordability, borrower creditworthiness, property type and valuation.

#### *Income ratio ("Woonquote")*

The "Woonquote" is the percentage of gross income that indicates the maximum cost in interest and instalments to be spent on a mortgage by customers. The Woonquote is based on the strict criteria of the 'Nibud' scheme, which is also used by the WEW ("Stichting Waarborgfonds Eigen Woning") in setting the NHG ("Nationale Hypotheek Garantie") requirements, and prescribed by the mortgage Code of Conduct.

#### *Loan to value*

The loan to value ratio is subject to a maximum of 125 per cent. and is calculated by dividing the principal amount of the loan by the foreclosure value ("LTFV"). The foreclosure value ("executiewaarde") of a property is usually between 75 per cent to 90 per cent of the market value of such property.

All exceptions to the mortgage underwriting criteria must be approved specifically. Price exceptions can be approved by ABN AMRO Bank, product specification and approval exceptions at different departments within ABN AMRO Hypotheken Groep. The exception criteria are based on a policy set up by head office departments of ABN AMRO Bank and ABN AMRO Hypotheken Groep.

#### *Property Valuation Procedures*

Under the currently prevailing criteria, properties require a valuation prior to the final approval of the mortgage request. Which, in respect of Mortgage Loans originated by ABN AMRO Bank, means that the Mortgaged Asset concerned was valued by an independent qualified appraiser except, (i) for Mortgage Loans relating to existing property, if the principal amount of the relevant Mortgage Loan together with the aggregate principal outstanding amount of all other Mortgage Loans secured on the same Mortgaged Asset did not exceed 40% of the value of the Mortgaged Asset (calculated on the basis of an assessment by the Dutch tax authorities on the basis of the Act on Valuation of Real Property ("Wet Waardering Onroerende Zaken" or "WOZ")., (ii) for Further Advances relating to existing property where the lender of record is ABN AMRO, if the principal amount of the Further Advance together with the aggregate principal outstanding amount of all other Mortgage Receivables secured on the same Mortgaged Asset did not exceed 100% of the value of the Mortgaged Asset (calculated on the basis of assessment by the Dutch tax authorities on the basis of the WOZ), (iii) if the property was to be built yet and formed part of a building project or was to be built by a contractor and not by the Borrower, (iv) if a valuation report by an independent qualified valuer which is not older than six months was available and (v) for Further Advances if a valuation report by an independent qualified valuer which is not older than 1,5 year was available.

All appraisal reports must be validated by a certified validation-institute (p.e. NWWI), be less than six months old, include six recent photographs of the property and contain the following information:

- (a) Market value - the current price that the dwelling could command if offered on the housing market.
- (b) Value under foreclosure - value of the property under a compulsory sale if the borrower cannot fulfil his/ her mortgage obligations; this value tends to be approximately 75-90% of the market value.
- (c) Reconstruction value - chiefly relevant for homeowner's insurance, this figure is based on the value and the type of property in the event of its destruction.

(d) If immediate maintenance work is required, the appraisal should include an estimate of the costs and indicate if the costs will exceed 10% of the market value.

Since 2011 a new standardised model for appraisal report has been implemented in The Netherlands to ensure consistency across all valuations. It is used for appraisals conducted by real estate agents and valuation agencies.

#### *Acceptance and Pre-Funding Controls*

The branches and intermediaries have read-only access to the central mortgage administration. Upon acceptance of a mortgage by a borrower the front/mid offices check the information against the customer file and give their final approval. The borrower then receives a draft of the mortgage deed and is able to check the mortgage conditions. The money together with the definite terms of the mortgage deed are sent to the civil law notary. The civil law notary can only deliver the money to the borrower after the mortgage deed is duly signed.

#### *Insurance*

The borrower is required to take out an insurance in respect of the property against risk of fire and other accidental damage for the full restitution of the value thereof. Most well established insurance companies in The Netherlands are accepted. In addition, after the final acceptance of the mortgage loan, information for the civil law notary is automatically generated and sent out.

#### *Security*

Each mortgage loan is secured in general by a first priority right of mortgage in the form of a notarial deed, which is duly registered with the Property Register at the Land Registry ("*Kadaster*"). When a mortgage deed is first presented for registration an entry to this effect is made to the Property Register. This entry establishes priority over any subsequent claims, encumbrances and attachments, in respect of the relevant property. All the original deeds are stored by the civil law notary and are registered with the Land Registry.

#### **Servicing**

All mortgage loans are administered and serviced by ABN AMRO Bank and through the mid offices by ABN AMRO Hypotheken Groep, the back office (Stater Nederland B.V.) and several dedicated departments within ABN AMRO Bank and ABN AMRO Hypotheken Groep. Duties include issuing statements, payments processing, and the early stages of delinquency collections.

#### *Payment Processing*

The mortgage administration system generates customer statements and monitors monthly payments. Approximately 99% of all payments are received by direct debit, a fully automated collection from the customer's account regardless of whether it is domiciled with ABN AMRO Bank or held at another institution. The remaining 1 % of accounts use self payments in which the customer must initiate a formal payment request to transfer funds to the mortgage payment account. The term of payment is monthly in arrears.

#### *Arrears Management*

Arrears management is performed via an automated process. On a daily basis, the system checks on payments received and signals missed payments, following which the delinquency process starts. The risk of the specific loan is being determined and one of three treatment paths is assigned (Low/Mid/High treatment intensity). In all paths, an immediate reminder is generated and sent to the customer. Depending on the calculated risk, treatment will be more intense. If an arrangement is made with the customer it is recorded and monitored. In addition to the generated reminder letters in each path, with respect to the ABN AMRO Bank mortgage loans, ABN AMRO F&C Credit Services contacts delinquent customers to reach arrangements. Foreclosure procedures will commence at the latest 90 days from the moment on which payments under the relevant Mortgage Loan are due but remain unpaid. This process is carried out by either Solveon Incasso B.V. (for mortgages originated by ABN AMRO Bank N.V.) or HypoCasso B.V. (for mortgages originated by ABN AMRO Hypotheken Groep B.V., Moneyou B.V. and Woonnext B.V.)

#### **Special Servicing**

*Solveon Incasso B.V.*

Solveon Incasso B.V. effects the settlement and collection of unpaid debts to ABN AMRO Bank N.V., specifically. Solveon Incasso B.V. is a 100 per cent subsidiary of ABN AMRO Bank. Solveon Incasso B.V. processes delinquent loans for ABN AMRO Bank's consumer and small business operations in the Netherlands, including the mortgage business. In doing so, Solveon aims to minimise the losses incurred by the bank while maintaining a good commercial relationship with the customer.

Hand-over to the special servicer Solveon Incasso B.V. takes place at the latest 90 days from the moment on which payment under the relevant Mortgage Loan are due but remain unpaid. Solveon Incasso B.V. summons the client within one week. Within one month past this summoning ("*aanmaning*") the mortgage will be claimed. In this phase the property will be appraised in order to evaluate the current value and state. The property is put to auction by the **civil law** notary one month after the claim. The finalising of the auction happens between 3 to 6 months after summoning, followed by receipt of the auction proceeds within 6 weeks.

#### *HypoCasso B.V.*

HypoCasso B.V. effects the settlement and collection of unpaid debts to ABN AMRO Hypotheken Groep B.V., Moneyou B.V. and Woonnexxt B.V. HypoCasso B.V. is a joint venture between Stater B.V. and Solveon Incasso B.V..

HypoCasso B.V. handles the complete arrears process from the first day a loan is in arrears. Early collections manage arrears up to 90 days, where the client is contacted actively to establish the likelihood of returning to normal payment schedules. Late collections focus on 90 days in arrears till sale, and follow closely the procedures of Solveon Incasso B.V. Within one week after being in arrears for 90 days, HypoCasso B.V. summons the client ("*aanmaning*"). Up to one month after summoning the mortgage would be claimed. In this phase the property will be appraised in order to evaluate the current state and corresponding value. The property is put to auction by the **civil law** notary one month after the claim. The finalising of the auction happens between 3 to 6 months after summoning, followed by receipt of the auction proceeds within 6 weeks.

In over 50 per cent of the files Solveon Incasso B.V. and HypoCasso B.V. agree a settlement with the client in the beginning of the process. If a settlement is not possible they would claim the mortgage and aim at a private sale on the market. If the client does not co-operate, or the property cannot be sold on the market, the civil law notary is instructed to put the property to auction. However, the greater part of the loans handled by Solveon Incasso B.V. and HypoCasso B.V. is still sold privately. The whole process normally takes less than one year.

## **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 the Asset Purchaser by means of a regular review of the portfolio on a loan-by-loan basis. The Issuer and the Asset Purchaser are obliged to cooperate with this review and undertake to use reasonable efforts to provide the 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 ten (10) per cent. or more since the date of the last Portfolio Review Event; or
- (c) any date on which more than one (1) per cent. of the aggregate Outstanding Principal Amount of the Mortgage Loans is in arrear for more than ninety (90) days; or
- (d) any Asset Purchaser Accession Date; or
- (e) if a new Series of Notes is issued; or
- (f) if new types of mortgage products are included in the pool, which have not been described herein or in any 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 AGREEMENT

On the Programme Closing Date each Seller and the Asset Purchaser will enter into an Asset Purchaser Mortgage Receivables Purchase Agreement. Furthermore, on each Asset Purchaser Accession Date, a new Asset Purchaser may enter into an Asset Purchaser Mortgage Receivables Purchase Agreement with the relevant Seller. Under the 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 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 the Asset Purchaser, subject to certain conditions. The sale and assignment of the Mortgage Receivables will be effectuated by the relevant Seller and the Asset Purchaser signing a deed (a "**Deed of Sale, Assignment and Pledge**") and by registering such deed. The assignment of the Mortgage Receivables from the relevant Seller to the Asset Purchaser will not be notified to the Borrowers, except in case of the occurrence of Asset Purchaser Assignment Notification Events. Until such notification the Borrowers will only be entitled to validly pay ("*bevrijdend betalen*") to the relevant Seller. The Asset Purchaser will be entitled to all proceeds in respect of the Mortgage Receivables as of the relevant Mortgage Purchase Date.

### Purchase Price

The purchase price for 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 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, the positive difference, if any, between the Asset Purchaser Interest Available Amount as calculated on each Note Calculation Date and the sum of all amounts payable by the Asset Purchaser as set forth in the 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 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 the 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 that it will sell and assign to the Asset Purchaser on such date (the "**Relevant New Mortgage Receivables**") and/or Further Advance Receivables that it will sell and assign to the Asset Purchaser on such date (the "**Relevant Further Advance Receivables**", and together with the Relevant New Mortgage Receivables, the "**Relevant Mortgage Receivables**"), and the Beneficiary Rights relating thereto and the New Mortgage Loans and/or Further Advances from which such Relevant New Mortgage Receivables and/or Relevant 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 a Relevant Mortgage Loan was made in accordance with the valuation procedures prevailing at the time of origination of the Relevant Mortgage Loan. No revaluation of the Mortgaged Assets is undertaken for the purpose of the transactions contemplated by the Relevant Documents;
- (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 Asset Purchaser Mortgage Receivables Purchase Agreement, as these forms may be amended in accordance with the Asset Purchaser Mortgage Receivables Purchase Agreement by the relevant 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 have met in all material respects the relevant Seller'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, 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;
- (m) in the case of each of the Relevant Mortgage Receivables that has the benefit of an Insurance Policy, the relevant Seller has the benefit of a valid Borrower Insurance Pledge and either (i) the relevant Seller has been validly appointed as beneficiary ("*begunstigde*") under such Insurance Policy, upon the terms of the Relevant Mortgage Loans and the relevant Insurance Policies, which 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;
- (n) in the case of each Bank Savings Mortgage Loan, the relevant Seller has the benefit of a valid Borrower Pledge on the rights under the relevant Bank Savings Account;
- (o) in the case of each Investment Mortgage Loan, the relevant Seller has the benefit of a valid Borrower Pledge on the rights under the relevant investment account;
- (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 or scanned copies of the notarial mortgage deeds, are kept by or on behalf of 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) all Relevant Mortgage Receivables secured by a mortgage right on a long lease provide that the Relevant Mortgage Loans become immediately due and payable in the event that, *inter alia*, (i) the leaseholder has not paid the remuneration, (ii) the leaseholder seriously breaches any obligation under the long lease or (iii) the long lease is dissolved or terminated.
- (t) each of the Mortgaged Assets on which a Mortgage has been vested to secure the Relevant Mortgage Receivable had, at the time the Relevant Mortgage Loan was advanced the benefit of buildings insurance ("*opstalverzekering*") for the full reinstatement value ("*herbouwwaarde*");
- (u) the Mortgage Conditions for all Mortgage Loans originated by ABN AMRO Bank provide that all payments by the Borrower should be made without any deduction or set-off;
- (v) this statement is made by the Sellers, other than ABN AMRO Bank: (i) it owes no amounts to a Borrower under the Relevant Mortgage Loans under a current account relationship, (ii) no deposits have been accepted by it from any Borrower under the Relevant Mortgage Loans, other than Construction Amounts, and, in respect of ABN AMRO Hypotheken Group, Bank Savings Deposits, and (iii) it does not have any Other Claims vis-à-vis any Borrower under the Relevant Mortgage Loans that are secured by the Mortgage;
- (w) no Mortgaged Asset was subject to residential letting at the time of origination of the Mortgage Loan;
- (x) where compulsory under the acceptance conditions used by the relevant Seller, each Relevant Mortgage Loan has a compulsory Life Insurance Policy attached to it;
- (y) in respect of Life Mortgage Loans originated by ABN AMRO Bank, ABN AMRO Hypotheken Groep and MoneYou (i) the Life Mortgage Loans and the Life Insurance Policies have not been offered as one combined mortgage and life insurance product or under one name, (ii) the Borrowers are free to choose the relevant Life Insurance Company and (iii) the relevant Life Insurance Company is not a group company of the relevant Seller within the meaning of Section 2:24b NCC;
- (z) in respect of Investment Mortgage Loans, the securities are purchased by a bankruptcy remote securities giro ("*effectengiro*"), a bank or an investment firm ("*beleggingsonderneming*") for the account of the Borrowers and these securities are held in custody by an admitted institution of Euroclear Netherlands if these securities qualify as securities as defined in the Dutch Securities Giro Transfer Act ("*Wet giraal effectenverkeer*") or, if they do not qualify as such, by a separate depository vehicle;
- (aa) (i) each NHG Guarantee, connected to the Relevant Mortgage Loan was granted for the full Outstanding Principal Amount of the Relevant Mortgage Loan at origination and constitutes legal, valid and binding obligations of the WEW, enforceable in accordance with their terms, (ii) all terms and conditions ("*voorwaarden en normen*") applicable to the NHG Guarantee at the time of origination of the Relevant Mortgage Loans were complied with and (iii) it is not aware of any reason why any claim made in accordance with the requirements pertaining thereto under any NHG Guarantee in respect of the Relevant Mortgage Loan should not be met in full and in a timely manner;
- (bb) This statement is made by ABN AMRO Bank only: in relation to each Relevant Mortgage Receivable, which was transferred to ABN AMRO Bank as part of the legal demerger from The Royal Bank of Scotland N.V. (previously named ABN AMRO Bank N.V.), the entire contractual relationship pertaining to the relevant Borrower is included in full in the said legal demerger.

### Eligibility Criteria

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

- (a) the Mortgage Loans are either:
  - (i) Hybrid Mortgage Loans ("*hybride hypotheek*");
  - (ii) Interest-only Mortgage Loans ("*aflossingsvrije hypotheek*");
  - (iii) Annuity Mortgage Loans ("*annuïteiten hypotheek*");
  - (iv) Linear Mortgage Loans ("*lineaire hypotheek*");
  - (v) Savings Mortgage Loans ("*spaarhypotheek*");
  - (vi) Investment Mortgage Loans ("*beleggingshypotheek*");
  - (vii) Life Mortgage Loans ("*levenhypotheek*");
  - (viii) Bank Savings Mortgage Loans ("*bankspaarhypotheek*"); and
  - (i) combinations of the above mentioned types of Mortgage Loans;
- (b) each Mortgage Loan has the benefit of a NHG Guarantee;
- (c) each Mortgage Loans has been originated after 1 January 1992;

- (d) each Mortgaged Asset is situated in the Netherlands;
- (e) the Borrower is a private individual ("*natuurlijk persoon*") and not an employee of ABN AMRO Bank or any of its direct or indirect subsidiaries;
- (f) the interest rate of each Mortgage Loan is (i) floating or (ii) fixed, subject to an interest reset from time to time;
- (g) 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;
- (h) payments on each Mortgage Receivable are made either by a direct debit or by a wire transfer;
- (i) interest payments are scheduled to be made monthly, quarterly or semi-annually in arrear;
- (j) on the last day of the Mortgage Collection Period immediately preceding the relevant Mortgage Purchase Date no amounts due under any of the Mortgage Receivables were 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*"); and
- (l) all Mortgages and Borrower Pledges have first priority ("*eerste rang*") or have first and sequentially lower ranking priority;
- (m) each receivable under a mortgage loan ("*hypothecaire lening*") which is secured by the same Mortgage, or if applicable, the same and lower ranking Mortgages, on the same Mortgaged Asset is sold and assigned to the Asset Purchaser;

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

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

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

- (a) the relevant Seller will represent and warrant to the Asset Purchaser and the Security Trustee (i) the matters set out in the clauses providing for the representations and warranties 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 Seller has occurred and is continuing;
- (c) there has been no failure by the relevant Seller to repurchase any Relevant Mortgage Receivable which it is required to repurchase pursuant to the Asset Purchaser Mortgage Receivables Purchase Agreement;
- (d) the Asset Purchaser Purchase Available Amount is sufficient to pay (the relevant part of) the Initial Purchase Price for the Relevant New Mortgage Receivables and Relevant Further Advance Receivables;
- (e) no downgrading of the Notes by any of the Rating Agencies 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 any of the Rating Agencies will occur as a result of such purchase;
- (f) the weighted average of the aggregate proportions of the Outstanding Principal Amounts of all Mortgage Loans less, in respect of each Mortgage Loan the Participation, if any, to the Foreclosure Value of the Mortgaged Assets (the "**LTFV-ratio**") does not exceed 110 per cent;

- (g) the aggregate Construction Amount does not exceed two (2) per cent. of the aggregate Outstanding Principal Amount of all Mortgage Receivables held by the Asset Purchaser;
- (h) no amount is standing to the debit of the 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 debit of the IC Loan Principal Deficiency Ledger on the immediately preceding Note Payment Date and no Subordinated Loan is outstanding;
- (i) the balance on the Unreserved Ledger was at least equal to the Class C Required Subordinated Amount;
- (j) except in case of any purchase of Relevant New Mortgage Receivables by the Asset Purchaser either (x) in relation to a new issue of Notes to the extent that the aggregate Outstanding Principal Amount of the Relevant New Mortgage Receivables and Relevant Further Advance Receivables to be purchased on the relevant Mortgage Purchase Date by the Asset Purchaser does not exceed the issue proceeds of such Notes (other than the Class D Notes) or (y) where the Rating Agencies have been notified, (i) the aggregate Outstanding Principal Amount of the Relevant New Mortgage Receivables and Relevant 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 twenty (20) per cent. of the aggregate Outstanding Principal Amount of all Mortgage Loans held by the Asset Purchaser on such Mortgage Purchase Date and (ii) the aggregate Outstanding Principal Amount of the Relevant New Mortgage Receivables and Relevant 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 (1) year before the relevant Mortgage Purchase Date does not exceed fifty (50) per cent. of the aggregate Outstanding Principal Amount of all Mortgage Loans held by the Asset Purchaser on such Note Payment Date;
- (k) if, in respect of a Series and Class or, if applicable, Sub-class of Notes, other than the Class D 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 relevant Mortgage Purchase Date or, if this is a later date, on the Note Payment Date falling one (1) year after such Step-up Date;
- (l) S&P has not informed the Issuer and the Asset Purchaser that the weighted average frequency of foreclosure and the weighted average loss severity of the Mortgage Receivables are above the required levels to support the Minimum Ratings;
- (m) the percentage of the Outstanding Principal Amount of all Life Mortgage Loans and Hybrid Mortgage Loans that are not Hybrid Savings Mortgage Loans with a Life Insurance Policy with the same Insurance Company held by the Asset Purchaser does not exceed forty (40) per cent of the Outstanding Principal Amount of all Mortgage Receivables held by the Asset Purchaser; and
- (n) the percentage of the Outstanding Principal Amount of all Life Mortgage Loans and Hybrid Mortgage Loans that are not Hybrid Savings Mortgage Loans held by the Asset Purchaser does not exceed 50 per cent. of the Outstanding Principal Amount of the Mortgage Receivables held by the Asset Purchaser; and
- (o) the Outstanding Principal Amount of all Interest-Only Mortgage Loans does not exceed 50 per cent. of the Outstanding Principal Amount of all Mortgage Loans; and
- (p) all Savings Mortgage Loans and Bank Savings Mortgage Loans shall as of the relevant Mortgage Purchase Date be subject to a Participation.

### Repurchase

Under the 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 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 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 in a Mortgage Collection Period the relevant Seller agrees with a Borrower to grant a Further Advance and the relevant Further Advance Receivable (i) has the benefit of a NHG Guarantee and (ii) is not purchased by the Asset Purchaser, on or before the Monthly Payment Date immediately succeeding such Mortgage Collection Period, on such Monthly Payment Date;
- (d) if (i) prior to foreclosure of a Mortgage Loan, such Mortgage Loan no longer has the benefit of a NHG Guarantee, or (ii) following foreclosure of a Mortgage Loan, the amount actually reimbursed under the NHG Guarantee is lower than the amount claimable under the terms of the NHG Guarantee, each time as a result of an action taken or omitted to be taken by the relevant Seller or the Pool Servicer, on the Mortgage Payment Date immediately following the date on which the Relevant Mortgage Loan ceases to have the benefit of the NHG Guarantee or the payment under the NHG Guarantee has been received by the Asset Purchaser, as the case may be, on (x) the immediately following Mortgage Payment Date or (y) if such Mortgage Payment Date referred to under (x) falls within fourteen (14) days of such date, the second Mortgage Payment Date following such date; and
- (e) if, in the case of a Hybrid Savings Mortgage Loan, the relevant Seller agrees to a Policy Switch and the Participation by the 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, 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, save for the events set forth in items (b) and (d) (ii) above, will be equal to the Outstanding Principal Amount of the relevant Mortgage Receivable together with interest and reasonable costs relating thereto (including any costs incurred by the Asset Purchaser in effecting and completing such purchase and assignment) accrued up to but excluding the date of purchase and assignment of the relevant Mortgage Receivable. In the event of a repurchase as a result of the occurrence of a Mortgage Loan Amendment set forth in (b) above, 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) the sum of (a) 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 (b) the amount claimable under the terms of the NHG Guarantee 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. In the event of a repurchase set forth in item (d)(ii) above, the purchase price shall be equal to the amount that was not reimbursed under the NHG Guarantee as a result of an action taken or omitted to be taken by the relevant Seller or the Pool Servicer, plus any post-foreclosure proceeds.

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

If:

- (a) a default is made by any Seller in the payment on the due date of any amount due and payable by it under the Asset Purchaser Mortgage Receivables Purchase Agreement or under any 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 Asset Purchaser or the Security Trustee to the relevant Seller or Sellers; or
- (b) any Seller fails duly to perform or comply with any of its obligations under the Asset Purchaser Mortgage Receivables Purchase Agreement or under any other 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 Asset Purchaser or the Security Trustee to the relevant Seller or Sellers; or
- (c) any representation, warranty or statement made or deemed to be made by any Seller in the Asset Purchaser Mortgage Receivables Purchase Agreement, other than the representations and warranties made in respect of the Relevant Mortgage Loans and the Relevant Mortgage Receivables (which the relevant Seller consequently repurchases), or under any of the other 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) any Seller takes any corporate action or other steps are taken or legal proceedings are started or threatened against it for its dissolution ("*ontbinding*") and liquidation ("*vereffening*") involving the relevant Seller or any of its assets are placed under administration ("*onder bewind gesteld*"); or
  - (e) any Seller 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 any Seller to perform all or a material part of its obligations hereunder or under any Relevant Document to which it is a party; or
  - (g) any Seller has given materially incorrect information or not given material information which was essential for the Asset Purchaser and the Security Trustee in connection with the entering into the Asset Purchaser Mortgage Receivables Purchase Agreement and/or any of the Relevant Documents; or
  - (h) an Asset Purchaser Pledge Notification Event occurs; or
  - (i) the 403-Guarantor has given notice of its intention to withdraw or has withdrawn ("*ingetrokken*") (within the meaning of article 2:404(1) of the Netherlands Civil Code) the 403-Declaration in respect of any Seller, other than ABN AMRO Bank,
  - (j) any Seller, other than ABN AMRO Bank, ceases to be a subsidiary of ABN AMRO Group N.V. within the meaning of section 2:24a of the Netherlands Civil Code;
  - (k) the credit rating of ABN AMRO Bank's long term unsecured, unsubordinated and unguaranteed debt obligations falls below Baa3 by Moody's or such rating is withdrawn;
  - (l) the credit rating of ABN AMRO Bank's long term unsecured, unsubordinated and unguaranteed debt obligations falls below BBB (low) by DBRS or such rating is withdrawn;
  - (m) the credit rating of ABN AMRO Bank's long term unsecured, unsubordinated and unguaranteed debt obligations falls below BBB- by S&P or such rating is withdrawn;

(each an "**Asset Purchaser Assignment Notification Event**") then the Seller or Sellers to which an Asset Purchaser Assignment Notification Event relates shall, unless the Security Trustee instructs the relevant Seller otherwise, forthwith notify or ensure that the relevant Borrowers, WEW and any other relevant parties indicated by the Asset Purchaser and/or the Security Trustee are forthwith notified of the assignment of the Mortgage Receivables or, at its option, the Asset Purchaser 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 (A) each Rating Agency has provided a Rating Agency Confirmation in respect of such instruction, or (B), in respect of Moody's only, by the 15th calendar day after Moody's was notified of such instruction, it has not indicated (i) which further information it needs to receive before it is in a position to grant a Rating Agency Confirmation or (ii) that the then current rating assigned by it to any of the Notes will be downgraded below the Minimum Ratings or, if the then current ratings are below the Minimum Ratings, that the then current ratings will be adversely affected.

In addition, pursuant to the Asset Purchaser Beneficiary Waiver Agreement (i) the relevant Seller, subject to the condition precedent of the occurrence of an Asset Purchaser Assignment Notification Event, waives its right as beneficiary under the Insurance Policies and appoints as first beneficiary (x) the Asset Purchaser subject to 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 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 Savings Participants 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 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 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 Asset Purchaser.

#### **Provisions in connection with set-off**

The Asset Purchaser Mortgage Receivables Purchase Agreement provides that if at any time (i) with respect to ABN AMRO Bank, the credit rating of ABN AMRO Bank's long term unsecured, unsubordinated and unguaranteed debt obligations falls below BBB by S&P, and (ii) with respect to ABN AMRO Hypotheken Groep, MoneYou B.V. and WoonNexxt B.V., the credit rating of ABN AMRO Bank's long term unsecured, unsubordinated and unguaranteed debt obligations falls below BBB+ by S&P, then the relevant Seller(s) will, for the purpose of maintaining 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, of maintaining the then current rating assigned to the Notes, within thirty (30) days of such event (a) open an escrow account in the name of the 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 the Relevant Mortgage Loans held by the Asset Purchaser.

In addition, the Asset Purchaser Mortgage Receivables Purchase Agreement provides that if (a) the credit rating of ABN AMRO Bank's short term unsecured, unsubordinated and unguaranteed debt obligations falls below A2 by S&P, Prime-2 by Moody's or R-1(middle) by DBRS or such rating is withdrawn by S&P, Moody's or DBRS or (b) the credit rating of the ABN AMRO Bank's long term unsecured, unsubordinated and unguaranteed debt obligations falls below BBB+ by S&P, ABN AMRO Bank shall (a) open an escrow account in the name of the 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 action, an amount equal to the aggregate amount of deposits held by the Borrowers on any savings or current accounts held with ABN AMRO Bank (excluding Construction Amounts) (the "**Potential Set-Off Amount**") or (b) implement any other actions subject to the consent of the Security Trustee and provided that (A) each Rating Agency has provided a Rating Agency Confirmation in respect of such action, or (B), in respect of Moody's only, by the 15th calendar day after Moody's was notified of such action, it has not indicated (i) which further information it needs to receive before it is in a position to grant a Rating Agency Confirmation or (ii) that the then current rating assigned by it to any of the Notes will be downgraded below the Minimum Ratings or, if the then current ratings are below the Minimum Ratings, that the then current ratings will be adversely affected. With respect to the action under (a), if taken, ABN AMRO Bank or the Asset Purchaser, as the case may be, will on each Note Payment Date until the occurrence of an Assignment Notification Event relating to ABN AMRO Bank transfer to the Asset Purchaser or ABN AMRO Bank, respectively, an amount equal to the increase or reduction, as applicable, of the Potential Set-Off Amount as compared to the immediately preceding Note Payment Date.

#### **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 Asset Purchaser Assignment Notification Events), provided that (A) each Rating Agency has provided a Rating Agency Confirmation in respect of such accession, or (B), in respect of Moody's only, by the 15th calendar day after Moody's was notified of such accession, it has not indicated (i) which further information it needs to receive before it is in a position to grant a Rating Agency Confirmation or (ii) that the then current rating assigned by it to any of the Notes will be downgraded below the Minimum Ratings or, if the then current ratings are below the Minimum Ratings, that the then current ratings will be adversely affected.

## ASSET PURCHASER SERVICING AGREEMENT AND ISSUER ADMINISTRATION AGREEMENT

### Asset Purchaser Servicing Agreement

#### *Services*

In the Asset Purchaser Servicing Agreement (i) the Pool Servicer has agreed to provide administration and management services to the Asset Purchaser on a day-to-day basis in relation to the Relevant Mortgage Loans and the Relevant Mortgage Receivables, including, without limitation, the collection of payments of principal, interest and other amounts in respect of the Relevant Mortgage Receivables and the transfer of such amounts (but no other amounts) on a monthly basis to the Asset Purchaser Collection Account (see also *Cash Collection Arrangements* in *Credit Structure Asset Purchasers*) and the implementation of arrear procedures including the enforcement of mortgage rights (see further *Mortgage Loan Underwriting and Servicing*) and (ii) the Asset Purchaser Administrator has agreed to provide certain administration, calculation and cash management services for the Asset Purchaser on a day-to-day basis. The Pool Servicer will be obliged to service the Relevant Mortgage Loans and the Relevant Mortgage Receivables with the same level of skill, care and diligence as mortgage loans in its own or, as the case may be, the Sellers' portfolios.

Each of the Pool Servicer and the Asset Purchaser Administrator may subcontract its obligations subject to and in accordance with the Asset Purchaser Servicing Agreement (without the consent of the Asset Purchaser and the Security Trustee or a Rating Agency Confirmation or the approval of any other party being required). Any such subcontracting will not relieve the Pool Servicer or the Asset Purchaser Administrator from its responsibility to perform its obligations under the Asset Purchaser Servicing Agreement, although in the case of subcontracting, such services will be performed by a sub-agent.

#### *Termination*

The Asset Purchaser Servicing Agreement may be terminated (in respect of the relevant party) by the Security Trustee or the Asset Purchaser (with the consent of the Security Trustee) in certain circumstances, including (a) a default by the Pool Servicer and/or the Asset Purchaser Administrator in the payment on the due date of any payment due and payable by it under the Asset Purchaser Servicing Agreement, (b) a default by the Pool Servicer and/or the Asset Purchaser Administrator in the performance or observance of any of its other covenants and obligations under the Asset Purchaser Servicing Agreement or (c) the Pool Servicer and/or the 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 appointment of the Pool Servicer and/or the Asset Purchaser Administrator under the Asset Purchaser Servicing Agreement, the Security Trustee and the Asset Purchaser shall use their best effort to appoint a substitute administrator or substitute pool servicer, as the case may be, and such substitute administrator or substitute pool servicer, as the case may be, shall enter into an agreement with the Asset Purchaser and the Security Trustee substantially on the terms of the Asset Purchaser Servicing Agreement, provided that such substitute administrator or substitute pool servicer, as the case may be, 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 Asset Purchaser shall, promptly following the execution of such agreement, pledge its interest in such agreement in favour of the Security Trustee on the terms of the Asset Purchaser Assets Pledge Agreement, *mutatis mutandis*, to the satisfaction of the Security Trustee.

The Asset Purchaser Servicing Agreement may be terminated (i) by the Pool Servicer in respect of it or the Asset Purchaser Administrator in respect of it and (ii) by the 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 (i) the Pool Servicer and/or the Asset Purchaser Administrator to each of the Asset Purchaser and the Security Trustee, or (ii) 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 Asset Purchaser Servicing Agreement and the Pool Servicer and/or the Asset Purchaser Administrator shall not be released from its obligations under the Asset Purchaser Servicing Agreement until such substitute pool servicer and/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 Purchaser 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, (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 efforts 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 (twelve) 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 Servicer 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 AGREEMENT

### Asset Purchaser Savings Sub-participation Agreements

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

#### *Savings Participation*

In the relevant Asset Purchaser Savings Sub-participation Agreement the relevant Savings Participants will undertake to pay to the 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 and (b) with respect to a Hybrid Savings Mortgage Receivables 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 relevant Savings Participant and accrued interest thereon up to the first day of the month in which the Mortgage Purchase Date or Mortgage Payment Date, as applicable, falls (the "**Initial Savings Participation**");
- (ii) on each Mortgage Payment Date an amount equal to the amount received by the Savings Participants as Savings Premium in respect of Savings Mortgage Receivables and Hybrid Savings Mortgage Receivables during the Mortgage Collection Period then ended.

as a consequence of such payments each of the relevant Savings Participants will acquire a participation (the "**Savings Participation**") in each relevant Savings Mortgage Receivable and Hybrid Savings Mortgage Receivable, which is equal to the Initial Savings 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 "**Savings Participation Increase**"):

$$\frac{(Ps + Ts) \times Rs + Ss}{Hs}, \text{ whereby}$$

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

Ts = 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 Asset Purchaser from the relevant Savings Participant;

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

Rs = 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 Asset Purchaser in such Mortgage Collection Period;

Hs = 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 Asset Purchaser will undertake to pay to each Savings Participant on each Mortgage Payment Date an amount equal to the Savings 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 Asset Purchaser Mortgage Receivables Purchase Agreement and any other amounts received pursuant to the Asset Purchaser Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal, (iii) in connection with a sale of relevant Savings Mortgage Receivables and/or Hybrid 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 "**Savings Participation Redemption Available Amount**").

#### **Asset Purchaser Bank Savings Sub-participation Agreement**

Under the Asset Purchaser Bank Savings Sub-participation Agreement the Asset Purchaser grants to the Bank Savings Participant a sub-participation in each of the Bank Savings Mortgage Receivables.

In the Asset Purchaser Bank Savings Sub-participation Agreement the Bank Savings Participant will undertake to pay to the Asset Purchaser in respect of each Bank Savings Mortgage Receivable:

- (i) on the relevant Mortgage Purchase Date, an amount equal to the aggregate monthly Bank Savings Deposit instalments received by the Bank Savings Participant together with accrued interest up to the relevant Mortgage Purchase Date or Mortgage Payment Date, as applicable (the "**Initial Bank Savings Participation**" and together with the Initial Savings Participation, the "**Initial Participation**") in relation to each of the Bank Savings Mortgage Receivables;
- (ii) On each Mortgage Payment Date an amount equal to the amount received by the Bank Savings Participant as monthly Bank Savings Deposit instalment during the Mortgage Calculation Period then ended in respect of the relevant Bank Savings Mortgage Receivable,

and in consideration of such payments the Bank Savings Participant will acquire a participation (the "**Bank Savings Participation**", and together with the Savings Participation, the "**Participation**") in each relevant Bank Savings Mortgage Receivable, which is equal to the Initial Bank Savings Participation, increased during each Mortgage Collection Period on the basis of the following formula (the "**Bank Savings Participation Increase**"):

$$\frac{(P_b \times R_b)}{H_b} + S_b, \text{ whereby}$$

$P_b$  = the Bank Savings Participation on the first day of the relevant Mortgage Collection Period in the relevant Bank Savings Mortgage Receivable;

$S_b$  = the amount of the monthly Bank Savings Deposit instalments actually received by the Asset Purchaser from the Bank Savings Participant in the relevant Mortgage Collection Period in respect of the relevant Bank Savings Mortgage Receivable;

$R_b$  = in respect of the relevant Bank Savings Mortgage Receivable, the amount of interest due by the Borrower and actually received by the Asset Purchaser in the relevant Mortgage Collection Period;

$H_b$  = the principal sum outstanding on the relevant Bank Savings Mortgage Receivable on the first day of the relevant Mortgage Collection Period.

In consideration of the undertaking of the Bank Savings Participant described above, the Asset Purchaser will undertake to pay to the Bank Savings Participant on each Mortgage Payment Date an amount equal to the Bank Savings Participation in the Bank Savings Mortgage Receivables in respect of which amounts have been received during the relevant Mortgage Calculation Period (i) by means of repayment and prepayment, whether in full or in part, for the Mortgage Receivables, but excluding prepayment penalties, if any, (ii) in connection with a repurchase of Bank

Savings Mortgage Receivables pursuant to the Asset Purchaser Mortgage Receivables Purchase Agreement and any other amounts received pursuant to the Asset Purchaser Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal, (iii) in connection with a sale of relevant Bank 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 Bank Savings Mortgage Receivables to the extent such amounts relate to principal (the **"Bank Savings Participation Redemption Available Amount"** and together with the Savings Participation Redemption Available Amount, the **"Participation Redemption Available Amount"**).

### **Reduction of Participation**

If

- (i) 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, Hybrid Savings Mortgage Receivable or Bank Savings Mortgage Receivable which is subject to a Savings Participation or Bank Savings Participation, based upon a default in the performance, whether in whole or in part, by the relevant Savings Participant or Bank Savings Participant or, for whatever reason, the relevant Savings Participant or Bank Savings Participant does not pay the insurance proceeds or the Bank Savings Deposit, as applicable, when due and payable, whether in full or in part, under the relevant Savings Insurance Policy, Hybrid Insurance Policy or Bank Savings Mortgage Loan; and
  - (ii) in respect of ABN AMRO Verzekeringen B.V., in case of bankruptcy or emergency regulations involving ABN AMRO Bank, the Savings Participant invokes its right to apply amounts standing to the credit of the Deposit Account on behalf of the Borrower/insured as (partial) repayment, in full or in part, of the relevant Savings Mortgage Receivable or Hybrid Savings Mortgage Receivable which is subject to a Participation,
- and, as a consequence thereof, the Asset Purchaser will not have received any amount in respect of such Savings Mortgage Receivable, Hybrid Savings Mortgage Receivable or Bank Savings Mortgage Receivable, which was outstanding prior to such event, the Savings Participation or Bank Savings Participation, as applicable, of the relevant Savings Participant or Bank Savings Participant in respect of such Savings Mortgage Receivable, Hybrid Savings Mortgage Receivable or Bank Savings Mortgage Receivable will be reduced by an amount equal to the amount which the Asset Purchaser has failed to receive as a result of such defence and the calculation of the 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 Asset Purchaser, then and at any time thereafter the Security Trustee on behalf of the Savings Participants and/or the Bank Savings Participant may, and if so directed by the Savings Participants and/or the Bank Savings Participant shall, by notice to the Asset Purchaser:

- (i) declare that the obligations of the Savings Participants or the Bank Savings Participant under the 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 Asset Purchaser or, in case of enforcement, the Security Trustee under the Savings Mortgage Receivables, Hybrid Savings Mortgage Receivables or Bank Savings Mortgage Receivables.

### **Termination**

If one or more of the Savings Mortgage Receivables and/or Hybrid Savings Mortgage Receivables and/or Bank Savings Mortgage Receivables are (x) repurchased by the relevant Seller from the Asset Purchaser pursuant to the Asset Purchaser Mortgage Receivables Purchase Agreement or (y) sold by the Asset Purchaser to a third party pursuant to the Asset Purchaser Trust Agreement or (z), in respect of Hybrid 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, Hybrid Savings Mortgage Receivable or Bank Savings Mortgage Receivable, the Participation in such Savings Mortgage Receivable and/or Hybrid Savings Mortgage Receivable and/or Bank Savings Mortgage Receivable will terminate and the Participation Redemption Available Amount in respect of the Savings Mortgage Receivable, Hybrid Savings Mortgage Receivable and the Bank Savings Mortgage Receivable will be paid by the Asset Purchaser to the relevant Savings Participants or Bank Savings Participant, as the case may be. If so requested by the relevant Savings Participants or

Bank Savings Participant, the Asset Purchaser will undertake its best efforts to ensure that the purchaser of the Savings Mortgage Receivables, Hybrid Savings Mortgage Receivables or Bank Savings Mortgage Receivables will enter into a sub-participation agreement with the Savings Participants or Bank Savings Participant, as the case may be, 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 the relevant Savings Participants or the Bank Savings Participant have received the relevant Participation in respect of the Savings Mortgage Receivables, the Hybrid Savings Mortgage Receivables or the Bank Savings Mortgage Receivables, as the case may be.

## THE ASSET PURCHASER

Fishbowl Asset Purchasing 1 B.V. (the "**Asset Purchaser**") has been incorporated as a private company with limited liability ("*besloten vennootschap met beperkte aansprakelijkheid*") under the laws of the Netherlands on 21 June 2011 under number B.V. 1649563. The corporate seat ("*statutaire zetel*") of the Asset Purchaser is in Amsterdam, the Netherlands. The registered office of each Asset Purchaser is at Frederik Roeskestraat 123, 1076 EE Amsterdam and its telephonenumber is +31 20 577 1177. Each Asset Purchaser is registered with the Commercial Register of the Chamber of Commerce of Amsterdam under number 52987388.

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

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

### Statement by managing director of the Asset Purchaser

Since its incorporation there has been no material adverse change in the financial position or prospects of the Asset Purchaser and the Asset Purchaser has not (i) commenced operations, no profits and losses have been made or incurred and it has not declared or paid any dividends nor made any distributions, save for the activities related to its establishment and the securitisation transaction included in this Base Prospectus and (ii) been involved in any legal, arbitration or governmental proceedings which may have a significant effect on the Asset Purchaser's financial position or profitability nor, so far as the Asset Purchaser is aware, are any such proceedings pending or threatened against the Asset Purchaser.

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

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

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

The Asset Purchaser Director has entered into a management agreement with the entity of which it has been appointed managing director ("*statutair directeur*"). In this management agreement the Asset Purchaser Director agrees and undertakes 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. In addition the Asset Purchaser Director agrees in the relevant management agreement that it will not enter into any agreement in relation to the Asset Purchaser other than the Relevant Documents to which it is a party, without the prior written consent of the Security Trustee, which consent will only be given if (A) each Rating Agency has provided a Rating Agency Confirmation in respect of such action, or

(B), in respect of Moody's only, by the 15th calendar day after Moody's was notified of such action, it has not indicated (i) which further information it needs to receive before it is in a position to grant a Rating Agency Confirmation or (ii) that the then current rating assigned by it to any of the Notes will be downgraded below the Minimum Ratings or, if the then current ratings are below the Minimum Ratings, that the then current ratings will be adversely affected.

The financial year of the Asset Purchaser coincides with the calendar year. The first financial year of the Asset Purchaser will end on 31 December 2012.



## IC LOAN AGREEMENT

On the Programme Closing Date the Issuer will enter into an IC Loan Agreement with the Asset Purchaser. Furthermore, on each Asset Purchaser Accession Date, a new Asset Purchaser may enter into an IC Loan Agreement (governed by Netherlands law) with the Issuer. Under the IC Loan Agreement the Asset Purchaser, at its request, may borrow monies on any 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. The Asset Purchaser will use the net proceeds from each IC Loan to pay to the relevant Seller (part of) the Initial Purchase Price for the purchase of Relevant Mortgage Receivables from time to time pursuant to the Asset Purchaser Mortgage Receivables Purchase Agreement.

On each Monthly Calculation Date the 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 Loans 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.

In addition, under the IC Loan Agreement, the Issuer shall advance and the Asset Purchaser shall accept Subordinated Loans subject to certain conditions.

### IC Loan Interest

Interest will accrue on the IC Loans 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 the IC Loan is repaid prior to such date, in which case the date of repayment applies), provided that the first IC Interest Period for the IC Loan will be the period commencing on (and including) the Utilisation Date on which the IC Loan was granted to the Asset Purchaser and ending on (and excluding) the immediately following Monthly Payment Date (unless the IC Loan is repaid prior to such date, in which case the date of repayment applies).

The interest payable on the 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 (k) (inclusive) excluding items (f), (h) and (j) 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 and (c) less any interest actually received on all Subordinated Loans on such Note Payment Date.

The interest payable on the IC Loans by the 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.

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

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

### IC Loan Costs

The 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 the Asset Purchaser on the succeeding Note Payment Date in respect of an IC Interest Period will be equal to the Aggregate IC Loan Costs payable by the Asset Purchaser on the succeeding 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 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. 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 (m) of the Issuer Interest Priority of Payments.

### Repayment of principal

The IC Loan Agreement will have a maximum maturity of twenty-five years (25), counting from the date the IC Loan is granted by the Issuer to the Asset Purchaser (the "**IC Loan Final Maturity Date**"). The 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 Asset Purchaser Trust Agreement.

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

- a) each 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).
- 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).
- 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).

- 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).

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

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

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

If:

- a) an Enforcement Notice is given; or
- b) the Asset Purchaser fails to pay any amount due and payable by it under or pursuant to the IC Loan Agreement or any other Relevant Document to which it is party and, if such failure is capable of being remedied, such failure is not remedied within ten (10) business days after notice thereof has been given by the Security Trustee to the Asset Purchaser or the Asset Purchaser becoming aware of the failure to comply; or
- c) the Asset Purchaser fails duly to perform or comply with any other obligation expressed to be assumed by it in the IC Loan Agreement or under any other Relevant Document to which it is a party, if such failure is capable of being remedied, such failure is not remedied within ten (10) business days after notice thereof has been given by the Security Trustee to the Asset Purchaser or any such other party; or
- d) any representation, warranty or statement made by the Asset Purchaser in the IC Loan Agreement or in any of the other 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 Asset Purchaser takes any corporate action or other steps are taken or legal proceedings are started or threatened against it for its dissolution ("*ontbinding*"), liquidation ("*vereffening*"), legal merger ("*juridische fusie*") or legal demerger ("*juridische splitsing*"); or
- f) the Asset Purchaser has been declared bankrupt ("*faillissement*") or has been granted a suspension of payments ("*surseance van betaling*"), or has become subject to any analogous insolvency proceedings under any applicable law or the Asset Purchaser has applied for a declaration of bankruptcy or suspension of payments or its assets are placed under administration ("*onder bewindgesteld*") pursuant to such procedures; or
- g) at any time it becomes unlawful for the Asset Purchaser to perform any or all of its obligations hereunder or under any other 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 thirty (30) days.

(each an "**IC Loan Event of Default**") then, except in the case of the occurrence of the event described under item (a) and (f), in which case the IC 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 13(b), (c), (d), (g) and (h), only if the Security Trustee shall have certified in writing to the Asset Purchaser and the Issuer that such an event is, in its opinion, materially prejudicial to the Issuer) to the Asset Purchaser that the IC Loan is immediately due and payable together with accrued interest.

#### **Subordinated Loan**

On each Note Payment Date on which the amounts credited to the Reserved Ledger of the Issuer Reserve Account exceed the lower of (i) the Class C Required Subordinated Amount and (ii) the Principal Amount Outstanding of all Class D Notes, the Issuer will advance an amount equal to the amount by which the Reserve Ledger exceeds the lower of (i) and (ii) (after taking into account any Reserve Ledger Release and any Reserved Ledger Repayment Debit on such date)(the "**Subordinated Loan Minimum Amount**") to the Asset Purchasers as subordinated loans under

the IC Loan Agreement (each such subordinated loan a "**Subordinated Loan**"). The amount will be advanced on a pro rata basis to the Asset Purchaser by reference to the amounts recorded on the IC Loan Principal Deficiency Ledger on such Notes Payment Date (after application of the Asset Purchaser Interest Available Amount, without taking into account any Subordinated Loans advanced on such date). The Asset Purchaser has an obligation to accept such Subordinated Loan.

Each Subordinated Loan will be credited to the IC Loan Principal Deficiency Ledger (outside the Asset Purchaser Interest Priority of Payments) and will form part of the Asset Purchaser Principal Available Amount on such date.

The interest on each Subordinated Loan will be equal to the interest on the Asset Purchaser Collection Account for the relevant period. The interest on the Subordinated Loans will only become due and payable on each Note Payment Date if and to the extent the Asset Purchaser Interest Available Amount on such Note Payment Date exceeds the amounts required to meet items ranking higher than item (g) of the Asset Purchaser Interest Priority of Payments.

On each Note Payment Date the Asset Purchaser shall be required to repay the Subordinated Loan with an amount equal to the amount by which the Asset Purchaser Interest Available Amount on such Note Payment Date exceeds the amounts required to meet items ranking higher than item (h) of the Asset Purchaser Interest Priority of Payments (if any)(for the avoidance of doubt, only to the extent such amount does not exceed the amount outstanding under the Subordinated Loans).

### FISHBOWL MASTER ISSUER B.V.

Fishbowl 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 June 2011 under number B.V. 1649562. 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 52987280.

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, divided in 900 regular shares of euro 100 each, of which euro 18,000 has been issued and is fully paid. All shares of the Issuer are held by Stichting Holding Fishbowl.

Stichting Holding Fishbowl is a foundation ("*stichting*") incorporated under the laws of the Netherlands on 6 June 2011. The objects of Stichting Holding Fishbowl are, *inter alia*, to incorporate, acquire and to hold shares in the share capital of the Issuer and the Asset Purchaser and comparable companies and to exercise all rights attached to such shares and to dispose of and encumber such shares. The sole managing director of Stichting Holding Fishbowl is ATC Management B.V.

#### Statement by managing director of the Issuer

In the 12 months prior to the date of this Base Prospectus there has been no material adverse change in the financial position or prospects of the Issuer and the Issuer has not (i) commenced operations, no profits and losses have been made or incurred and it has not declared or paid any dividends nor made any distributions, save for the activities related to its establishment and the securitisation transaction included in this Base Prospectus and (ii) been involved in any legal, arbitration or governmental proceedings which may have a significant effect on the Issuer's financial position or profitability nor, so far as the Issuer is aware, are any such proceedings pending or threatened against the Issuer.

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

The objectives of ATC Management B.V. are (a) advising of and mediation by financial and related transactions, (b) 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. In addition the Issuer 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, which consent will only be given provided that (A) each Rating Agency has provided a Rating Agency Confirmation in respect of such action, or (B), in respect of Moody's only, by the 15th calendar day after Moody's was notified of such action, it has not indicated (i) which further information it needs to receive before it is in a position to grant a Rating Agency Confirmation or (ii) that the then current rating assigned by it to any of the Notes will be downgraded below the Minimum Ratings or, if the then current ratings are below the Minimum Ratings, that the then current ratings will be adversely affected.

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

## 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 depositary (the "**Common Depositary**") on behalf of Euroclear and Clearstream, Luxembourg or (ii) Euroclear Netherlands or (iii) a depositary for other agreed clearing system.

Whilst any Note is represented by a Temporary Global Note and subject to TEFRA D selling restrictions, payments of principal and interest (if any) due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by the relevant clearing system(s) and the relevant clearing system(s) have given a like certification (based on the certifications they have received) to the 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 € 100,000 (or if the Notes are denominated in a currency other than euro, the equivalent amount in such currency). In respect of a Note held through a Common Depositary or a Common Safekeeper for Euroclear or Clearstream, Luxembourg, each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a Note will be entitled to receive any payment made in respect of that Note in accordance with the respective rules and procedures of Euroclear or, as the case may be, Clearstream, Luxembourg. Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes, which must be made by the holder of a Global Note, for so long as such Global Note is outstanding.

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

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

A Permanent Global Note will only be exchangeable upon an Exchange Event (free of charge), in whole or (subject to the Notes which continue to be represented by the Permanent Global Note being regarded by the relevant clearing system(s) as fungible with the Notes in definitive form issued in partial exchange for such Permanent Global Note) in part in accordance with the Issuer Trust Deed and the Conditions and the Applicable Final Terms, for security printed Notes in definitive form. An **"Exchange Event"** means (a) the 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 the Paying Agent 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 Agent 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 of type (b) 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]

### FISHBOWL MASTER ISSUER B.V.

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

### Issue of [Aggregate Principal Amount Outstanding of Series of Notes]

[Title of relevant Series and Class of Notes]

[Class or Sub-class of Notes]

**under the Euro 25,000,000,000  
Residential Mortgage Backed Note Programme**

[Dealers/Managers]

## PART A - CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [date] 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:                              | Fishbowl Master Issuer BV.                      |
| 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 [ • ] Series [*specify*], and together with all other Notes of [ • ] Series [*specify*] such Series [the Notes are consolidated with [ • ] Series [*specify*] and the Notes of [ • ] Series [*specify*] and the Notes described herein together comprise [ • ] Series [*specify*] *other*]
6. Principal Amount Outstanding: [...]
7. Issue Price: [...] per cent. of the Principal Amount Outstanding [plus accrued interest from [*insert date*] (*in case of fungible issues only, if applicable*)]
8. Denominations: [*minimum EUR 100,000 or its equivalent in other currencies or such as may be allowed or required from time to time by the relevant bank or regulatory authority (or equivalent body) or any laws or regulations applicable to the 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: <i>This will need to be amended in the case of long or short coupons</i> )
	(d) Fixed Rate Interest Period (prior to the Step-Up Date)	[as specified in the Conditions/other, give details]
	(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
	(ii) Interest Margin after the Step-up Date:	[...] per cent. per annum
	(b) Note Payment Date(s):	28th day of February, May, August and November 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)
	(c) Specified Period(s)/Specified Note Payment Dates:	[...]
	(d) 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. Pass-through Notes or Soft Bullet Notes or other:

[Pass-through Notes/Soft Bullet Notes/other]

16. 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

17. 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]

18. Exchange Date

[Not Applicable/date]

19. 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)*

20. New Global Note:

[Yes/No]

21. 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

22. (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]

23. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: [TEFRA D/TEFRA C/TEFRA not applicable]
24. 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 Fishbowl Master Issuer B.V..

#### RESPONSIBILITY

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

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

Signed on behalf of the Issuer:

By: .....  
Duly authorised

#### 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:	The Notes of [[•]] Series [...] to be issued have been rated:

	<p>Moody's: [Registered / Not Registered] under Regulation (EC) No 1060/2009</p> <p>[Class A Notes: Aaa(sf) ]</p> <p>DBRS: [Registered / Not Registered] under Regulation (EC) No 1060/2009</p> <p>[Class A Notes: AAA(sf) ]</p> <p>[Class B Notes: [...] ]</p> <p>[Class C Notes: [...] ]</p> <p>S&amp;P: [Registered / Not Registered] under Regulation (EC) No 1060/2009</p> <p>[Class A Notes: AAA(sf) ]</p> <p>[Class B Notes: [...] ]</p> <p>[Class C Notes: [...] ]</p> <p>[Registered / Not Registered] under Regulation (EC) No 1060/2009</p> <p><i>(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.)</i></p>

### 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.)

<b>6. OPERATIONAL INFORMATION</b>	
(i) ISIN Code:	...
(ii) Common Code:	...
(iii) Any clearing system(s) the relevant identification number(s):	Euroclear and Clearstream, Luxembourg  [Euroclear Netherlands]  [Not Applicable/give name(s) and number(s)]
(iv) if NGN form is chosen, the Common Safekeeper on the issue date:	[Not Applicable/give name and address]
(v) if NGN form is not chosen, the Common Depository on the issue date, if applicable:	[Not Applicable/give name and address]
(vi) Delivery:	Delivery [against/free of] payment
(vii) Names and addresses of additional Paying Agent(s) (if any):	...
(viii) Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes/No]  [Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as Common Safekeeper and does not necessarily



	mean that the Notes will be recognised as 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]
<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 Fishbowl Master Issuer B.V. (converted, where applicable, into euros at the [specify rate] including the Notes described herein, will be:	
Class A Notes:  Class B Notes:  Class C Notes:  Class D 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]  (If not applicable, delete the remaining subparagraphs of this paragraph)
(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.]*

Loan To Indexed Foreclosure Value		( based on notional / collateral value					
		Current Period					
From ( > )	Until ( <= )	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity
<	50%						
50%	55%						
55%	60%						
60%	65%						
65%	70%						
70%	75%						
75%	80%						
80%	85%						
85%	90%						
90%	95%						
95%	100%						
100%	105%						

105%	110%
110%	115%
115%	120%
120%	125%
125%	130%
130%	135%
135%	140%
140%	145%
145%	150%
150%	>

---

Total

---



---

**Loan To Original Foreclosure Value**

*( based on notional / collateral value*

---

Current Period

---

From ( > )	Until ( <= )	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity
<	50%						
50%	55%						
55%	60%						
60%	65%						
65%	70%						
70%	75%						
75%	80%						
80%	85%						
85%	90%						
90%	95%						
95%	100%						
100%	105%						
105%	110%						
110%	115%						
115%	120%						
120%	125%						
125%	130%						
130%	135%						
135%	140%						
140%	145%						
145%	150%						

---

Total

---

**Loan To Indexed Market Value***( based on notional / collateral value*

Current Period							
From ( > )	Until ( <= )	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity
<	50%						
50%	55%						
55%	60%						
60%	65%						
65%	70%						
70%	75%						
75%	80%						
80%	85%						
85%	90%						
90%	95%						
95%	100%						
100%	105%						
105%	110%						
110%	115%						
115%	120%						
120%	125%						
125%	130%						
130%	135%						
Total							

**Loan To Original Market Value***( based on notional / collateral value*

Current Period							
From ( > )	Until ( <= )	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity
<	50%						
50%	55%						
55%	60%						
60%	65%						
65%	70%						
70%	75%						
75%	80%						
80%	85%						
85%	90%						
90%	95%						
95%	100%						
100%	105%						
105%	110%						
110%	115%						

115%	120%
120%	125%
125%	130%

---

Total

---

### Mortgage Loan Size

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Current Period

---

From ( > )	Until ( <= )	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity
<	100000						
100000	200000						
200000	300000						
300000	400000						

---

Total

---

### Origination Year

---

Current Period

---

From ( >= )	Until ( < )	Aggregate Outstanding Not. Amount	% of Total	Nr of Loanparts	% of Total	Weighted Average Coupon	Weighted Average Maturity
<	1995						
1995	1996						
1996	1997						
1997	1998						
1998	1999						
1999	2000						
2000	2001						
2001	2002						
2002	2003						
2003	2004						
2004	2005						
2005	2006						
2006	2007						
2007	2008						
2008	2009						
2009	2010						
2010	>						
2011							

---

Total

---

Maturity Date							
		Current Period					
From ( >= )	Until ( < )	Aggregate Outstanding Not. Amount	% of Total	Nr of Loanparts	% of Total	Weighted Average Coupon	Weighted Average Maturity
2010	2015						
2015	2020						
2020	2025						
2025	2030						
2030	2035						
2035	2040						
2040	>						
Total							

Redemption Type							
		Current Period					
Description		Aggregate Outstanding Not. Amount	% of Total	Nr of Loanparts	% of Total	Weighted Average Coupon	Weighted Average Maturity
Annuity							
Hybrid							
Interest only							
Investment							
Life investment							
Linear							
Savings							
Universal life							
Total							

Interest Rate Group							
		Current Period					
From ( > )	Until ( <= )	Aggregate Outstanding Not. Amount	% of Total	Nr of Loanparts	% of Total	Weighted Average Coupon	Weighted Average Maturity
<	3,00%						
3,00%	3,50%						
3,50%	4,00%						
4,00%	4,50%						
4,50%	5,00%						
5,00%	5,50%						
5,50%	6,00%						
6,00%	6,50%						
6,50%	7,00%						
7,00%	>						

Total							
Interest Reset Interval							
From ( > )	Until ( <= )	Current Period					
		Aggregate Outstanding Not. Amount	% of Total	Nr of Loanparts	% of Total	Weighted Average Coupon	Weighted Average Maturity
<	1						
1	2						
2	3						
3	4						
4	5						
5	6						
6	7						
7	8						
8	9						
9	10						
10	11						
11	12						
12	13						
13	14						
14	15						
15	16						
16	17						
17	18						
18	19						
19	20						
20	21						
21	22						
22	23						
23	24						
24	25						
25	26						
26	27						
27	28						
28	29						
29	30						
Total							
Geographical Distribution							
Province	Current Period						
	Aggregate Outstanding Not. Amount	% of Total	Nr of Loans	% of Total	Weighted Average Coupon	Weighted Average Maturity	
Drenthe							
Flevoland							

Friesland  
 Gelderland  
 Groningen  
 Limburg  
 Noord-Brabant  
 Noord-Holland  
 Overijssel  
 Utrecht  
 Zeeland  
 Zuid-Holland

Total

### Portfolio Characteristics

Type of loan	#Loans	#Loanparts	Gross	Net
Ultimo				
Repurchased				
Purchased				
Reserved				
<b>Total</b>				

Details	Amounts in euro
Cut-Off Date	
Principal amount	
Value of savings deposits	
Outstanding principal balance	
Building deposits	
Outstanding principal balance excl. building and saving deposits	
Number loans	
Number loanparts	
Average principal balance (loan)	
Average principal balance (loanpart)	
First interest reset date	
Last interest reset date	
Maximum current interest	
Minimum current interest	
Weighted average current interest rate (WACC)	
Weighted average maturity (in years) (WAM)	
Weighted average seasoning (in years)	
Weighted average LTFV *	



Weighted average LTFV (indexed) \*

Weighted average LTMV \*

Weighted average LTMV (indexed) \*

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\* LTV based on: notional / collateral value

**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 Agreement and the Pledge Agreements.

The holders of any Notes are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of, and definitions contained or incorporated in, the Issuer Trust Deed, the Issuer Parallel Debt Agreement, the Asset Purchaser Trust Agreement, the Pledge Agreements, the Paying Agency Agreement, each of the other 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 Agreement, 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, 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 and the Class D 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 € 100,000 (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 Agent may, to the fullest extent permitted by law, treat the holder of any Note and of the Coupons appertaining thereto as its absolute owner for all purposes (whether or not payment under such Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing thereon or any notice of previous loss or theft thereof) for any purposes, including payment and no person shall be liable for so treating such holder. The signatures on the Notes will be in facsimile.

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

- (a) The Notes of each Class are direct and unconditional obligations of the Issuer and rank *pari passu* and rateably without any preference or priority among Notes of the same Class.
- (b) In accordance with the provisions of Conditions 4, 6 and 9 and the 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.
- (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 the Asset Purchaser over (a) its Mortgage Receivables and (b) the Beneficiary Rights relating thereto;
  - (ii) by a first ranking right of pledge to the Security Trustee by the Asset Purchaser over the Asset Purchaser's rights under or in connection with (i) the Asset Purchaser Mortgage Receivables Purchase Agreement, (ii) the Asset Purchaser Servicing Agreement, (iii) the Asset Purchaser GIC, (iv) the Asset Purchaser Accounts, (v) the Asset Purchaser Cashflow Swap Agreement; and (vi) the 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) the 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 and the Class D 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 and the Class D Notes. The Class B Notes will rank in priority to the Class C Notes and the Class D Notes. The Class C Notes will rank in priority to the Class D 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 and the Class D 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 and the Class D 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 and the Class D 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 and the Class D 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 7 July 2011 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 other than in Eligible Investments, except for any other investments as contemplated by the Relevant Documents.

#### **4. Interest**

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

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

Fixed Rate Notes shall bear interest on their Principal Amount Outstanding from and including the relevant Issue Date. Each Fixed Rate Note (or in the case of the redemption of part only of a Note that part only of such Fixed Rate Note) shall cease to bear interest from its due date for redemption unless, upon due presentation payment of the relevant amount of principal or any part thereof is improperly withheld or refused. In such event, interest will continue to accrue thereon (before and after any judgment) at the rate applicable to such Note up to but excluding the date on which, on presentation of such Note, payment in full of the relevant amount of principal is made or (if earlier) the seventh day after notice is duly given by the Paying Agent 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 as Annual Payment Date. 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 or such other periods as may be specified in the Applicable Final Terms (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 (1) 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 (1) 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 three hundred and sixty (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 February, May, August, November 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 (3) 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 (1) 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
- (ii) after one (1) 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 (3) months deposits in euros. The Reference Agent shall use the Euribor rate as determined and published jointly by the European Banking Federation and ACI - The Financial Market Association and which appears for information purposes on the Reuters Screen EURIBOR 01 Page (or its successor sources) (or, if not available, any other display page on any screen service maintained by any registered information vendor (including, without limitation, the Reuter Monitor Money Rate Service, the Dow Jones Telerate Service and the Bloomberg Service) for the display of the Euribor rate selected by the Reference Agent) as at or about 11:00 a.m. (Central European time) on the day that is two (2) Business Days preceding the first day of each Floating Rate Interest Period (each an "**Euribor Interest Determination Date**").
- (ii) If, on the relevant Euribor Interest Determination Date, such Euribor rate is not determined and published jointly by the European Banking Association and ACI - The Financial Market Association, or if it is not otherwise reasonably practicable to calculate the rate under (i) above, the Reference Agent will:
  - (A) request the principal euro-zone office of each of four major banks in the euro-zone interbank market (Reference Banks) to provide a quotation for the rate at which three (3) months euro deposits are offered by it in the euro-zone interbank market at approximately 11.00 a.m. (Central European time) on the relevant Euribor Interest Determination Date to prime banks in the euro-zone interbank market in an amount that is representative for a single transaction at that time; and determine the arithmetic mean (rounded, if necessary, to the fifth decimal place with 0.000005 being rounded upwards) of such quotation as 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 (3) months deposits to leading euro-zone banks in an amount that is representative for a single transaction in that market at that time,

and Euribor for such Floating Rate Interest Period shall be the rate per annum equal to the euro interbank offered rate for euro deposits as determined in accordance with this paragraph (e), provided that if the Reference Agent is unable to determine Euribor in accordance with the above provisions in

relation to any Floating Rate Interest Period, Euribor applicable to the relevant Class of Notes during such Floating Rate Interest Period will be Euribor last determined in relation thereto.

(f) *Dollar Libor*

For the purpose of Condition 4(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 (2) Business Days preceding the first day of each Floating Rate Interest Period (each a "**Dollar Libor Interest Determination Date**", and together with the Euribor Interest Determination Date, 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 Agent, the Issuer Administrator, Euronext Amsterdam N.V. and to any competent listing authority, stock exchange and/or quotation system on or by which the Notes are listed, quoted and/or traded and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth Business Day thereafter. 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 ninety (90) days' notice in writing to that effect. Notice of any such termination will be given to the holders of the relevant Class of Notes in accordance with Condition 13. If any person shall be unable or unwilling to continue to act as a Reference Bank or the Reference Agent (as the case may be) or if the appointment of any Reference Bank or the Reference Agent shall be terminated, the Issuer will, with the prior written consent of the Security Trustee, appoint a successor Reference Bank or Reference Agent (as the case may be) to act in its place, provided that neither the resignation nor removal of the Reference Agent shall take effect until a successor approved in writing by the Security Trustee has been appointed.

## 5. **Payment**

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

- (a) in respect of euros or by transfer to a euro account maintained by the payee with a bank in the Netherlands, as the holder may specify or in euro to the relevant Paying Agent for the credit of the respective accounts of the Noteholders through Euroclear Netherlands, if applicable;
- (b) in respect of U.S. Dollars by transfer to a U.S. Dollar account maintained by the payee with a bank outside of the United States (which expression, as used in this Condition 5, means the United States, including the State and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction);
- (c) in respect of 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 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 Agent 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 name of the Paying Agent and of its offices are set out below.
- (d) The Issuer reserves the right at any time to vary or terminate the appointment of the Paying Agent and to appoint additional or other paying agents provided that no paying agent located in the United States 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 Agent and of any changes in the specified offices of the Paying Agent 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, the Class C Notes and the Class D Notes, subject to (i) Condition 9(b) and (ii) fulfilment of the Repayment Test, redeem a Series and Class, or Sub-class, as the case may be, of Notes at their Principal Amount Outstanding on the relevant Final Maturity Date specified in respect of such Notes in the Applicable Final Terms.

### (b) *Mandatory redemption*

(I) Provided that no Enforcement Notice has been served in accordance with Condition 10 and no Trigger Event has occurred, if the Pro-rata Condition is satisfied, the Issuer will, in respect of the Class B Notes and the Class C 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; and
- (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.

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;

(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 and the Class C 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.

(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 and the Class C 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.

(IV) The principal amount so redeemable (each a "**Principal Redemption Amount**"), in respect of each Note, other than the Class D 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 and the Class C 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 Depositary or Common Safekeeper for Euroclear and Clearstream, Luxembourg, partial redemption will be effectuated in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion).

(c) *Determination of 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 Agent, the Reference Agent, Euroclear Netherlands, if applicable, Euroclear, if applicable, Clearstream, Luxembourg, if applicable, Euronext Amsterdam N.V. and to any competent listing authority, stock exchange and/or quotation system on or by which the Notes are listed, quoted and/or traded and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth Business Day thereafter. If no 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 D Notes of such Series and Class, in whole but not in part, at their Principal Amount Outstanding, in respect of the Class B Notes and the Class C 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 thirty (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 D Notes) of a Series and Class or, if applicable, Sub-class at their Principal Amount Outstanding, in respect of the Class B Notes and the Class C 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, the Class C Notes and the Class D 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 D Notes*

The Issuer may, at its option, redeem all of the Class D Notes of a Series and Class or, all Class D 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 D 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 and the Class D 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 charge in, or amendment to, the application of the laws for regulations of the Netherlands (including any guidelines issued by the tax authorities) or any other jurisdiction or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which becomes effective on or after the relevant Issue Date and such obligation cannot be avoided by the Issuer taking reasonable measures available to it; and
- (b) the Issuer will have sufficient funds available as determined on the 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 and the Class D Notes subject to Condition 9(b), if any of the Sellers exercises its option to repurchase the Mortgage Receivables from the Asset Purchaser upon the occurrence of:

- (a) a change published on or after the Programme 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 and Class of Notes may be redeemed under such circumstances unless all Notes of such Series and Class (or such of them as are then outstanding) are also redeemed in full at the same time (subject to Condition 9(b)).

(j) *Redemption in case of termination of NHG Guarantee programme*

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 and the Class D Notes subject to Condition 9(b), if any of the Sellers exercises its option to repurchase the Mortgage Receivables from the Asset Purchaser upon the occurrence of:

- (a) the NHG Guarantee programme being terminated and no NHG Guarantee can be obtained for newly originated mortgages and no substitute guarantee programme has been established which (with such changes and such the consent of the parties as may be required under the Relevant Documents) will allow the Sellers to sell mortgage receivables to the Asset Purchasers with a guarantee of a public or semi-public entity or other security attached to it which is similar to the NHG Guarantee, originated after such termination; 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)).

(k) *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 and Class D 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 Agent for cancellation in accordance with the Paying Agency Agreement. Any Class B Notes, Class C Notes or Class D Notes so purchased should be surrendered to any of the Paying Agent 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 the Paying Agent (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 the Paying Agent (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 Agent 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 and the Class D 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 debit the Class B Interest Deficiency Ledger, with an amount equal to the amount by which the aggregate amount of interest paid on the Class B Notes, on any relevant 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 debit the Class C Interest Deficiency Ledger, with an amount equal to the amount by which the aggregate amount of interest paid on the Class C Notes, on any relevant 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 debit the Class D Interest Deficiency Ledger, with an amount equal to the amount by which the aggregate amount of interest paid on the Class D Notes, on any relevant 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.

(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.

If, on any Note Payment Date, the amount standing to the balance of the Unreserved Ledger is less than the Principal Amount Outstanding of all Class D Notes, then notwithstanding any other provisions of these Conditions the principal amount payable on redemption 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, on any Note Payment Date, the Principal Amount Outstanding of the relevant Class D Note on such Note Payment Date minus an amount equal to the quotient of the balance on the Unreserved Ledger on such Payment Date (after giving effect to any issue of Class D Notes on such date and any other drawing from the Unreserved Ledger on such date), divided by the Principal Amount Outstanding of all Class D Notes outstanding on such Note Payment Date (after giving effect to any issue of Class D Notes on such date but before any repayment of Class D Notes on such 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.



(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 Agreement 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 Agreement 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 admitted to listing, trading and/or quotation on Euronext Amsterdam or by any other competent authority, stock exchange and/or quotation system, notice shall also be published in such other place as may be required by the rules and regulations of such competent authority, stock exchange and/or quotation system. Any such notice shall be deemed to have been given on the first date of such publication. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Security Trustee shall approve.

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

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

### **(a) Convening Meetings of Noteholders**

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

### **(b) Quorum**

The quorum for an Extraordinary Resolution is two-thirds of the Principal Amount Outstanding of the Notes of all Series of the relevant Class or of one or more Series and Class or Classes or Sub-Class or Sub-Classes, as the case may be, and for an Extraordinary Resolution approving a Basic Terms Change the quorum shall be at least seventy-five (75) per cent. of the Principal Amount Outstanding of the relevant Notes.

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

### **(c) Extraordinary Resolutions**

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

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

(d) Programme Resolutions

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

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

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

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

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

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

- (iii) A resolution which, in the sole opinion of the Security Trustee, affects the interests of Noteholders of more than one Sub-class of the same Class and gives or may give rise to a conflict of interest between Noteholders of one such Sub-Class and the Noteholders of any such other Sub-Class, shall be deemed to have been duly passed only, instead of being passed in a single meeting of such Noteholders, if passed at separate meetings of Noteholders of such Sub-Class of Notes;

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

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

(f) Modifications by the Security Trustee

The Security Trustee may agree, without the consent of the Noteholders, to (i) any modification of any of the provisions of the 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 and/or any other Relevant Document which is in the opinion of the Security Trustee not materially prejudicial to the interests of the Noteholders, provided that (A) each Rating Agency has provided a Rating Agency Confirmation in respect of such modification, authorisation or waiver, or (B), in respect of Moody's only, by the 15th calendar day after Moody's was notified of such modification, authorisation or waiver, it has not indicated (i) which further information it needs to receive before it is in a position to grant a Rating Agency Confirmation or (ii) that the then current rating assigned by it to any of the Notes will be downgraded below the Minimum Ratings or, if the then current ratings are below the Minimum Ratings, that the then current ratings will be adversely affected. Any such modification, authorisation or waiver shall be binding on the Noteholders and, if the Security Trustee so requires, such modification shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

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

**16. Governing Law**

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

**"ABN AMRO Bank"** means ABN AMRO Bank N.V. or its successors;

**"Asset Purchaser Administrator"** means ABN AMRO Hypotheken Groep and/or, as the case may be, any Asset Purchaser Administrator that accedes to the Programme as Asset Purchaser Administrator;

**"Asset Purchaser Assets Pledge Agreement"** means an assets pledge agreement entered into by the 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, novated, supplemented or otherwise modified from time to time;

**"Asset Purchaser Bank Savings Sub-participation Agreement"** means an asset purchaser bank saving sub-participation agreement entered into by the Asset Purchaser, the Bank Savings Participant and the Security Trustee on the Programme Closing Date, as the same may be amended, novated, restated, supplemented or otherwise modified from time to time;

**"Asset Purchaser Beneficiary Waiver Agreement"**

means the beneficiary waiver agreement to be entered into by the relevant Sellers, the Savings Participants and the Asset Purchaser on the Programme Closing Date or, as the case may be, the relevant Asset Purchaser Accession Date as the same may be amended, novated, restated, supplemented or otherwise modified from time to time;

**"Asset Purchaser Cashflow Swap Agreement"** means a swap agreement entered into by the Asset Purchaser, the 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, novated, supplemented or otherwise modified from time to time;

**"Asset Purchaser Cashflow Swap Counterparty"** means ABN AMRO Bank and/or, as the case may be, any Asset Purchaser Cashflow Swap Counterparty that accedes to the Programme as Asset Purchaser Cashflow Swap Counterparty;

**"Asset Purchaser Director"** means ATC Management B.V. in its capacity as director of the Asset Purchaser or its successor or successors;

**"Asset Purchaser GIC"** means a guaranteed investment contract entered into by the Asset Purchaser, the 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 ABN AMRO Bank and/or as the case may be, any Asset Purchaser GIC Provider that accedes to the Programme as Asset Purchaser GIC Provider;

**"Asset Purchaser Mortgage Receivables Purchase Agreement"** means the Asset Purchaser Mortgage Receivables Purchase Agreement entered into by the relevant Seller, the 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, novated, restated, supplemented or otherwise modified from time to time;

**"Asset Purchaser Pass-through Payable Amount"** means the sum of (a) on any Monthly Payment Date the sum of items (i), (ii), (iii), (iv) (v), (vi), (vii), (viii) and (x) of the Asset Purchaser Principal Available Amount in relation to the immediately preceding Mortgage Collection Period less any amounts received under item (iv) to the extent such amounts result from the sale of Mortgage Receivables pursuant to the best efforts obligation of the Asset Purchaser to repay principal under the IC Loans in connection with the redemption of Notes upon exercise of a call-option as set out in the Asset Purchaser Trust Agreement, 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 Agreement"** means the Asset Purchaser Receivables Pledge Agreement;

**"Asset Purchaser Pledge Notification Events"** means the events set out in Clause 5 of the Asset Purchaser Assets Pledge Agreement and in Clause 5 of the Asset Purchaser Receivables Pledge Agreement;

**"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, Hybrid Savings Mortgage Receivable and Bank Savings Mortgage Receivable which is subject to a Savings Participation or Bank Savings Participation, as applicable, the relevant Participation in such Savings Mortgage Receivable, Hybrid Savings Mortgage Receivable or Bank 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 Asset Purchaser Trust Agreement, being the **"Asset Purchaser Principal Receipts"**);
- (ii) on a Note Calculation Date, any amounts to be credited to the IC Loan Principal Deficiency Ledger, including any amount received as Subordinated Loan, 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, Hybrid Savings Mortgage Receivable and Bank Savings Mortgage Receivable which is subject to a Savings Participation or Bank Savings Participation, as applicable, the relevant Participation in such Savings Mortgage Receivable, Hybrid Savings Mortgage Receivable or Bank 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 Asset Purchaser Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal less, with respect to each Savings Mortgage Receivable, Hybrid Savings Mortgage Receivable and Bank Savings Mortgage Receivable which is subject to a Savings Participation or Bank Savings Participation, as applicable, the relevant Participation in such Savings Mortgage Receivable, Hybrid Savings Mortgage Receivable or Bank Savings Mortgage Receivable;
- (v) as amounts received in connection with a sale of Mortgage Receivables to the extent such amounts relate to principal less, with respect to each Savings Mortgage Receivable, Hybrid

Savings Mortgage Receivable and Bank Savings Mortgage Receivable which is subject to a Savings Participation or Bank Savings Participation, as applicable, the relevant Participation in such Savings Mortgage Receivable, Hybrid Savings Mortgage Receivable or Bank Savings Mortgage Receivable;

- (vi) as Participation Increase, less any amounts paid towards termination of the sub-participation in the relevant Savings Mortgage Receivables, Hybrid Savings Mortgage Receivables which is subject to a Savings Participation, in case of a Policy Switch, pursuant to the Asset Purchaser Sub-Participation Agreement;
- (vii) as partial prepayment in respect of Mortgage Receivables;
- (viii) as amounts received or to be received on the immediately succeeding Mortgage Purchase Date as Initial Savings Participation or Initial Bank Savings Participation, as applicable;
- (ix) any part of the Asset Purchaser Principal Available Amount calculated on a preceding Note Calculation Date which has not been applied towards payment of the IC Loans or purchase of Further Advance Receivables or New Mortgage Receivables on the immediately preceding Monthly Payment Date;
- (x) as amounts received on the Asset Purchaser Collection Account on the preceding Mortgage 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;
- (xi) the net proceeds from the IC Loans under the 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:

- (xii) any amounts which have been applied in satisfaction by payment or by means of set-off with (part of) the Initial Purchase Price of New Mortgage Receivables and Further Advance Receivables or 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 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, novated, restated, supplemented or otherwise modified from time to time;

**"Asset Purchaser Savings Sub-participation Agreement"** means an asset purchaser saving sub-participation agreement entered into by the Asset Purchaser, the relevant Savings Participant and the Security Trustee on the Programme Closing Date, as the same may be amended, novated, restated, supplemented or otherwise modified from time to time;

**"Asset Purchaser Secured Parties"** means the Asset Purchaser Director, the Asset Purchaser Administrator, the Asset Purchaser Cashflow Swap Counterparty, the Sellers and the Issuer;

**"Asset Purchaser Servicing Agreement"** means an asset purchaser servicing agreement entered into by the 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, novated, restated, supplemented or otherwise modified from time to time;

**"Asset Purchaser Trust Agreement"** means a trust agreement entered into by the 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, novated, supplemented or otherwise modified from time to time;

**"Asset Purchaser"** means Fishbowl Asset Purchasing 1 B.V. and/or, as the case may be, any Asset Purchaser that accedes to the Programme as Asset Purchaser;

**"Bank Savings Participant"** means ABN AMRO Hypotheken Groep B.V.;

**"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;

**"Basic Terms Change"** means, in respect of Notes of all Series of a Class or of one or more Series and Class or Classes or Sub-Class or Sub-Classes, as the case may be, a change (i) of the date of maturity of the relevant Notes, (ii) which would have the effect of postponing any day for payment of interest in respect of the relevant Notes, (iii) of the amount of principal payable in respect of the relevant Notes, (iv) of the rate of interest applicable in respect of the relevant Notes, (v) of the Issuer Interest Priority of Payments, the Issuer Principal Priority of Payments prior to a Trigger Event or the Issuer Principal Priority of Payments after a Trigger Event or (vi) of the quorum or majority required to pass an Extraordinary Resolution;

**"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 (i) the Class A Notes listed as such in the Applicable Final Terms or (ii) after the Step-up Date, the Class A Notes specified as soft-bullet notes in the Applicable Final Terms relating to such Notes;

**"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 D 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, (i) the Class B Notes listed as such in the Applicable Final Terms or (ii) after the Step-up Date, the Class B Notes specified as soft-bullet notes in the Applicable Final Terms relating to such Notes;

**"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 D 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, (i) the Class C Notes listed as such in the Applicable Final Terms or (ii) after the Step-up Date, the Class C Notes specified as soft-bullet notes in the Applicable Final Terms relating to such Notes;

**"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 D 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;

**"Clearstream, Luxembourg"** means Clearstream Banking, société anonyme;

**"Coupons"** means the interest coupons appertaining to the Notes;

**"DBRS"** means DBRS, Inc;

**"Definitive Note"** means a Note in definitive form in bearer form;

**"Eligible Investments"** means investments by the Issuer or the 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"** means a resolution passed at a Meeting duly convened and held by Noteholders of all Series of a Class or by the Noteholders of one or more Series and Class or Classes or Sub-Class or Sub-Classes, as the case may be, by a majority of not less than two-thirds of the validly cast votes, except that in case of an Extraordinary Resolution approving a Basic Terms Change the majority required shall be at least seventy-five (75) per cent. of the validly cast votes;

**"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;

**"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 Director"** means ATC Management B.V. in its capacity as director of Stichting Holding Fishbowl or its successor or successors;

**"IC Loan Agreement"** means a loan agreement entered into by the 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, novated, 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 Fishbowl 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, novated, restated, supplemented or otherwise modified from time to time;

**"Issuer Administrator"** means ABN AMRO Hypotheken Groep;

**"Issuer Assets 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, novated, restated, supplemented or otherwise modified from time to time;

**"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 any issuer currency swap agreement consisting of an 1992 ISDA Master Agreement including its Annexes, a Schedule, a Confirmation (and, if applicable, a credit support annex) respectively to be entered into by the relevant Issuer Currency Swap Counterparty and the Issuer at or prior to the relevant Issue Date substantially in the form set out in the Issuer Currency Swap Undertaking Letter, as the same may be amended, novated, restated, supplemented or otherwise modified from time to time;

**"Issuer Currency Swap Undertaking Letter"** means the undertaking letter entered into on the Programme Closing Date with respect to the entering into the Issuer Currency Swap Agreement;

**"Issuer Director"** means ATC Management B.V. in its capacity as director of the Issuer or its successor or successors;

**"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, novated, restated, supplemented or otherwise modified from time to time;

**"Issuer GIC Provider"** means ABN AMRO Bank;

**"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, novated, 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 Asset Purchaser Pass-through Payable Amount payable in the relevant Issuer Collection Period;

**"Issuer Pledge Notification Events"** means the events set out in Clause 5.1 of the Issuer Assets Pledge Agreement;

**"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 D Notes, issued during that Issuer Collection Period;
- iv. amounts to be received from the Issuer Currency Swap Counterparty under any 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;
- vi. after the occurrence of a Trigger Event, any amounts standing to the credit of the Issuer Pre-Funded Account;

- vii. as amounts released from the Issuer Pre-Funded Account towards redemption of Notes on the Step-up Date of such Notes;

less:

- viii. any part of the 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;
- ix. the amounts to be paid to the Issuer Currency Swap Counterparty under any 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 Agent, 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, novated, supplemented or otherwise modified from time to time;

**"Listing Agent"** means ABN AMRO Bank;

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

**"Management Agreements"** means the Asset Purchaser Management Agreement, 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 Purchaser, the Security Trustee and the Issuer Secured Parties at the Programme Closing Date, as the same may be amended, restated, novated, supplemented or otherwise modified from time to time;

**"Meeting"** means a meeting of Noteholders of all Series of a Class or of one or more Series and Class or Classes or Sub-Class or Sub-Classes, as the case may be;

**"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 runs from 14 July 2011 up to and including 31 July 2011;

**"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 Sellers pursuant to the Asset Purchaser Mortgage Receivables Purchase Agreement;

**"Most Senior Class"** means such Class of Notes which has not been previously redeemed or written off in full and which ranks higher in priority than any other Class of Notes in the Issuer Interest Priority of Payments;

**"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, including the NHG Guarantee (c) the proceeds of the purchase price in case of a repurchase of the Mortgage Receivables by the relevant Seller after foreclosure, (d) 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, (e) the proceeds of any other guarantees or sureties, and (f) 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 two successive 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, novated, 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 D 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 D 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 Paying Agent, and the Security Trustee at the Programme Closing Date, as the same may be amended, novated, restated, supplemented or otherwise modified from time to time;

**"Paying Agent"** means ABN AMRO Bank;

**"Permanent Global Note"** means a permanent global note issued by the Issuer;

**"Pool Servicer"** means ABN AMRO Hypotheken Groep (and its successor or successors) and/or any other Pool Servicer that accedes to the Programme as Pool Servicer (and its successor or successors);

**"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 Payment Rate"** means on any Note Payment Date, items (i), (iii), (iv), (v), (vi), (vii), (viii) and (x) 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 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 Fishbowl 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, novated, 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 C Required Subordination Amount.

**"Rating Agencies"** means S&P, Moody's and DBRS;

**"Rating Agency Confirmation"** means if a Rating Agency is notified by the Security Trustee, or a third party on behalf of the Security trustee, of a certain event or matter, a written confirmation from such Rating Agency that the then current rating assigned by it to any of the Notes will not be downgraded below the Minimum Ratings or, if the then current ratings are below the Minimum Ratings, that the then current ratings will not be adversely affected;

**"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 ABN AMRO Bank;

**"Relevant Documents"** means the Programme Agreement, the Issuer Assets Pledge Agreement, any Issuer Currency Swap Agreement, the Issuer Administration Agreement, the Issuer GIC, the IC Loan Agreement, the Issuer Trust Deed, the Issuer Parallel Debt Agreement, the Issuer Currency Swap Undertaking Letter, any Notes Purchase Agreement, the Paying Agency Agreement, the Asset Purchaser Mortgage Receivables Purchase Agreement, the Asset Purchaser Pledge Agreements, the Asset Purchaser GIC, the Asset Purchaser Cashflow Swap Agreement, the Asset Purchaser Trust Agreement, the Asset Purchaser Beneficiary Waiver Agreements, the Asset Purchaser Servicing Agreement, the Asset Purchaser Savings Sub-participation Agreements, the Asset Purchaser Bank Savings Sub-participation Agreement, the Deposit Agreement and the Management Agreements;

**"Relevant Issuer Documents"** means the Programme Agreement, the Issuer Pledge Agreement, any Issuer Currency Swap Agreement, the IC Loan Agreement, the Issuer Trust Deed, the Issuer Parallel Debt Agreement, the Issuer Currency Swap Undertaking Letter, any Notes Purchase Agreement, 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 and Class D 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; and
- (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.

**"Savings Participants"** means (i) SRLEV N.V., ABN AMRO Levensverzekering N.V. in respect of Savings Mortgage Receivables sold by ABN AMRO Bank, (ii) SRLEV N.V. and ABN AMRO Levensverzekering N.V. in respect of Savings Mortgage Receivables sold by ABN AMRO Hypotheken Groep, (iii) ABN AMRO Hypotheken Groep in respect of Bank Savings Mortgage Receivables, (iv) SRLEV N.V. and Allianz Nederland Levensverzekering N.V. in respect of Savings Mortgage Receivables sold by WoonNexxt Hypotheken and (v) SRLEV N.V. in respect of Savings Mortgage Receivables sold by MoneYou;

**"Security Trustee"** means Stichting Security Trustee Fishbowl;

**"Security Trustee Director"** means Amsterdamsch Trustee's Kantoor B.V. in its capacity as director of the Security Trustee or its successor or successors;

**"Sellers"** means ABN AMRO Bank, ABN AMRO Hypotheken Groep B.V., MoneYou B.V., WoonNexxt Hypotheken B.V. and/or, as the case may be, any other seller of Mortgage Receivables that may accede to the Programme as seller of mortgage receivables, provided that it is a (direct or indirect) subsidiary of ABN AMRO Group N.V. within the meaning of article 2:24a Netherlands Civil Code.

**"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 been declared subject to (i) suspension of payments ("*surseance van betaling*"), or if applicable, emergency regulations ("*noodregeling*") as referred to in the Act on Financial Supervision ("*Wet op het financieel toezicht*" or "*Wft*") which has continued for a period of one month whereby such suspension of payments, or if applicable, emergency regulations, is deemed to have continued for a period of one month if the 403-Guarantor or any Seller has been declared subject to such suspension of payments or, if applicable, emergency regulations and the Security Trustee has not been provided with sufficient proof that such suspension of payments, or, if applicable, emergency regulations have been lifted within one month, or (ii) bankruptcy ("*faillissement*") or for any analogous insolvency proceedings under any applicable law.



### **USE OF PROCEEDS**

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

The Asset Purchaser will use the net proceeds from the IC Loans 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 net proceeds from the Class D Notes will be credited by the Issuer to the Issuer Reserve Account or will be available to redeem other Notes, subject to fulfilment of the Repayment Test.

## DESCRIPTION OF SECURITY

As further security for the performance by the Issuer and the Asset Purchaser of its obligations under the Relevant Documents, the Issuer and the Asset Purchaser grant rights of pledge on (most of) their assets in favour of the Security Trustee. In order to secure the valid creation of these pledges, the Issuer and the Asset Purchaser will undertake as a separate and independent obligation, by way of parallel debt, to pay to the Security Trustee amounts due by it to the Programme Secured Parties. This Programme Parallel Debt and the corresponding Pledge Agreement 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 Agent 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.

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

In the relevant Asset Purchaser Trust Agreement the 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 Asset Purchaser:

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

(the parties referred to in item (i) through (vi), together the "**Asset Purchaser Secured Parties**" and together with the Issuer Secured Parties, the "**Programme Secured Parties**").

As set out above, the 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 the 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 Asset Purchaser Parallel Debt constitutes the separate and independent obligations of the Asset Purchaser and constitutes the Security Trustee's own separate and independent claim ("*eigen en zelfstandige vordering*") to receive payment of the Asset Purchaser Parallel Debt from the Asset Purchaser. Upon receipt by the Security Trustee of any amount in payment of the Asset Purchaser Parallel Debt, the payment obligations of the Asset Purchaser to the Asset Purchaser Secured 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 Debt or the Asset Purchaser Guarantee, 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 or Bank Savings Participant in connection with the Participation. The amounts due to the Programme Secured Parties, other than the Savings Participants or Bank Savings Participant, 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 Agreement and the Asset Purchaser Assets Pledge Agreement and the Issuer Assets Pledge Agreement, but in respect of the Savings Mortgage Receivables, Hybrid Savings Mortgage Receivables and Bank Savings Mortgage Receivables, only to the extent the amounts received exceeds the Participation in the relevant Savings Mortgage Receivables, the relevant Hybrid Savings Mortgage Receivables or the relevant Bank Savings Mortgage Receivables, as the case may be.

The 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 the Asset Purchaser and the Security Trustee dated the Programme Closing Date or the relevant Asset Purchaser Accession Date (the "**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 Asset Purchaser to the Security Trustee under the Asset Purchaser Trust Agreement, including the Asset Purchaser Parallel Debt and the Asset Purchaser Guarantee, and any other 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 the 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.

The Asset Purchaser will also vest a right 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 Asset Purchaser to the Security Trustee resulting from or in connection with the Asset Purchaser Trust Agreement, including the Asset Purchaser Parallel Debt and the Asset Purchaser Guarantee, and any other Relevant Asset Purchaser Documents and will be vested on all rights of the Asset Purchaser under or in connection with (i) the Asset Purchaser Mortgage Receivables Purchase Agreement, (ii) the Asset Purchaser Servicing Agreement, (iii) the Asset Purchaser GIC, (iv) the Asset Purchaser Sub-participation Agreement and (v) the Asset Purchaser Accounts. These rights of pledge will be notified to the obligors and will, therefore be a "disclosed" right of pledge ("*openbaar pandrecht*").

The Issuer will also vest rights of pledge in favour of the Security Trustee under the 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) each Issuer Administration Agreement, (ii) the 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 and the Class D 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 Fishbowl is a foundation ("*stichting*") incorporated under the laws of the Netherlands on 6 June 2011. 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 the Issuer, (including the holders of notes to be issued by the Issuer) and the Asset Purchaser 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. Stolp and F. Kuijpers. 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 Purchaser.

## 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, an open limited partnership ("open commanditaire vennootschap") or another company with a capital divided into shares or a special purpose fund ("doelvermogen"),

- (iii) such Holder does not have a substantial interest\* in the share capital of the Issuer and/or the 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

and, if the Holder is a natural person,

- (iv) such Holder does not derive income and/or capital gains from the Notes that forms a "benefit from miscellaneous activities" in the Netherlands (*resultaat uit overige werkzaamheden*) which, for instance, would be the case if the activities in the Netherlands with respect to Notes exceed "normal active asset management" (*normaal, actief vermogensbeheer*) or if income and gains are derived from the holding, whether directly or indirectly, of (a combination of) shares, debt claims or other rights (together, a *lucratief belang*) that the holder thereof has acquired under such circumstances that such income and gains are intended to be remuneration for work or services performed by such holder (or a related person) in the Netherlands, whether within or outside an employment relation, where such lucrative

interest provides the holder thereof, economically speaking, with certain benefits that have a relation to the relevant work or services; and

- (v) 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.

4. No Netherlands gift or inheritance taxes will arise on the transfer of the Notes by way of a gift by, or on the death of, a Holder who is neither resident nor deemed to be resident in the Netherlands, unless:

- (i) in case of a gift of the Notes under a suspensive condition by an individual who at the date of the gift was neither resident nor deemed to be resident in the Netherlands, such individual is resident or deemed to be resident in the Netherlands at the date
  - (a) of the fulfillment of the condition; or
  - (b) of his/her death and the condition of the gift is fulfilled after the date of his/her death.
- (ii) in case of a gift of Notes by an individual who at the date of the gift or - in case of a gift under a suspensive condition - at the date of the fulfillment of the condition was neither resident nor deemed to be resident in the Netherlands, such individual dies within 180 days after the date of the gift or the fulfillment of the condition, while being resident or deemed to be resident in the Netherlands.

For purposes of Netherlands gift and inheritance tax, an individual with the Netherlands nationality will be deemed to be resident in the Netherlands if he has been resident in the Netherlands at any time during the ten years preceding the date of the gift or his death..

For purposes of Netherlands gift tax, an individual not holding the Netherlands nationality will be deemed to be resident in the Netherlands if he has been resident in the Netherlands at any time during the twelve months preceding the date of the gift.

Applicable tax treaties may override the tax implications of deemed residency.

For purposes of Netherlands gift and inheritance tax, a gift that is made under a condition precedent is deemed to have been made at the moment such condition precedent is satisfied.

\*Generally speaking, an interest in the share capital of the Issuer and/or the 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 5 per cent. or more of the total issued and outstanding capital, or the issued and outstanding capital of any class of shares, of the Issuer and/or Seller.

## SUBSCRIPTION AND SALE

ABN AMRO Bank as Dealer has agreed and each Dealer (and Manager, as defined in the applicable Final Terms) shall agree with the Issuer a basis upon which they or any of them may agree to purchase Notes. Any such agreement will extend to those matters stated under *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 Member State of the European Economic Area which has implemented the Prospectus Directive (each, a '**Relevant Member State**'), each Dealer has represented and agreed, and each further Dealer appointed under the Program 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 Notes which are the subject of the offering contemplated by this Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State: (i) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive; (ii) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or (iii) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Notes referred to in (i) to (iii) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an '**offer of Notes to the public**' in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression '**Prospectus Directive**' means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression '**2010 PD Amending Directive**' means Directive 2010/73/EU.

### France

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

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

### Italy

No action has or will be taken by the Dealer, nor any further Dealer (and Manager) appointed, which would allow a public offering (or a "*offerta al pubblico*") of the Notes to the public in the Republic of Italy unless in compliance with



the relevant Italian securities, tax and other applicable laws and regulations; and no application has been filed to obtain an authorisation from the Commissione Nazionale per le Società e la Borsa ("*Consob*") for the public offering of the Notes in the Republic of Italy ("*Italy*").

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

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

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

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

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

#### **United Kingdom**

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

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

#### **United States**

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

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

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

### **Japan**

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

### **General**

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

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

## 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 on or about 7 July 2011. 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 twelve (12) months from the date of this Base Prospectus. Notice of any terms and conditions not contained herein which are applicable to the Notes will be set out in the Final Terms which, with respect to such Notes to be listed on Euronext Amsterdam, will be delivered to Euronext Amsterdam and filed with the AFM on or before the date of issue. Notes issued under the Programme may also be listed on any other stock exchange specified in the applicable Final Terms or unlisted.
3. The accountants at KPMG ACCOUNTANTS N.V. are registered accountants ("registeraccountants") and are a member of the Netherlands Institute for Registered Accountants ("NIVRA"), the Dutch accountants board.
4. 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) the Issuer Currency Swap Undertaking Letter;
  - (x) any Issuer Currency Swap Agreement;
  - (xi) the forms of the Temporary Global Notes, the Permanent Global Notes and the Definitive Notes set out in the schedules to the Issuer Trust Deed;
  - (xii) the IC Loan Agreement;
  - (xiii) the Asset Purchaser Mortgage Receivables Purchase Agreement;
  - (xiv) the Asset Purchaser Servicing Agreement;
  - (xv) the Asset Purchaser Assets Pledge Agreement;
  - (xvi) the Asset Purchaser Receivables Pledge Agreement;
  - (xvii) the Asset Purchaser Trust Agreement;
  - (xviii) the Asset Purchaser GIC;
  - (xix) the Asset Purchasers Savings Sub-participation Agreements;
  - (xx) the Asset Purchaser Bank Savings Sub-participation Agreement;
  - (xxi) the Asset Purchaser Beneficiary Waiver Agreements;
  - (xxii) the Asset Purchaser Cashflow Swap Agreement;
  - (xxiii) the articles of association of the Security Trustee; and
  - (xxiv) any future Base Prospectuses, supplemental prospectuses hereto and the Final Terms in respect of listed Notes to this Base Prospectus.
5. The audited annual financial statements of the Issuer prepared annually are available, free of charge, at the specified offices of the Security Trustee.
6. A copy of the Issuer's articles of association is available, free of charge, at the office of the Issuer.

7. 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.
8. 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 and an overview of the retention of the material net economic interest by ABN AMRO Bank N.V. in compliance with the Capital Requirements Directive will be published on and can be obtained at: <http://www.abnamro.com/nl/investor-relations/debt-investors/index.html>

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