

OFFERING CIRCULAR DATED 23 JUNE 2000

Delphinus 2000-I B.V.

(incorporated with limited liability in the Netherlands)

EURO 337,500,000 SENIOR CLASS A MORTGAGE-BACKED NOTES 2000 DUE 2032, ISSUE PRICE 100 PER CENT.

EURO 15,000,000 6.25 PER CENT. MEZZANINE CLASS B MORTGAGE-BACKED NOTES 2000 DUE 2032, ISSUE PRICE 98.63 PER CENT.

EURO 7,500,000 7.125 PER CENT. JUNIOR CLASS C MORTGAGE-BACKED NOTES 2000 DUE 2032, ISSUE PRICE 99.895 PER CENT.

Application has been made to list the euro 337,500,000 Senior Class A Mortgage-Backed Notes 2000 due 2032 (the 'Senior Class A Notes'), the euro 15,000,000 6.25 per cent. Mezzanine Class B Mortgage-Backed Notes 2000 due 2032 (the 'Mezzanine Class B Notes') and the euro 7,500,000 7.125 per cent. Junior Class C Mortgage-Backed Notes (the 'Junior Class C Notes', and together with the Senior Class A Notes and the Mezzanine Class B Notes, the 'Notes') on the Luxembourg Stock Exchange. The Notes will be issued on 26 June 2000.

Payments of interest and principal on the Senior Class A Notes will be made quarterly in arrear on each Quarterly Payment Date (as defined herein). The rate of interest will be three months Euribor plus a margin of 0.29 per cent. Payments of interest and principal on the Mezzanine Class B Notes and the Junior Class C Notes will be made annually in arrear on each Annual Payment Date (as defined herein). The rate of interest will be for the Mezzanine Class B Notes 6.25 per cent. per annum and for the Junior Class C Notes 7.125 per cent. per annum. If following 26 June 2010 the Notes of any Class have not been redeemed in full, the interest applicable to the relevant Class of Notes will be equal to the sum of three months Euribor, plus a margin which will be for the Senior Class A Notes 1.29 per cent., for the Mezzanine Class B Notes 1.75 per cent. and for the Junior Class C Notes 3 per cent., payable quarterly in arrear on each Quarterly Payment Date.

The Notes are scheduled to mature on 26 June 2032. The Notes will be subject to mandatory partial redemption in the circumstances set out in, and subject to and in accordance with, the Terms and Conditions of the Notes (the 'Conditions'). Unless previously redeemed in full, the Issuer will have the option to redeem the Notes at their respective Principal Amount Outstanding (as defined in the Conditions) on 26 June 2010 and on each Quarterly Payment Date thereafter.

It is a condition precedent to issuance that the Senior Class A Notes, on issue, be assigned a 'Aaa' rating by Moody's Investors Service Limited ('Moody's') and a 'AAA' rating by Fitch Limited ('Fitch'), the Mezzanine Class B Notes, on issue, be assigned at least an 'A2' rating by Moody's and an 'A' rating by Fitch and the Junior C Notes, on issue, be assigned at least a 'Baa2' rating by Moody's and a 'BBB' rating by Fitch. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time. For a discussion of some of the risks associated with an investment in the Notes, see 'Special Considerations' herein.

The Notes will be secured directly by a deed of surety from Stichting Security Trustee Delphinus 2000-I (the 'Security Trustee'), and indirectly by a pledge over the Mortgage Receivables (as described below) and a pledge over all the assets of the Issuer. The right to payment of interest and principal on the Mezzanine Class B Notes and the Junior Class C Notes will be subordinated and may be limited as more fully described herein.

The Notes of each class will be initially represented by a temporary global note in bearer form (each a 'Temporary Global Note'), without coupons, which is expected to be deposited with Société Générale Bank & Trust, as common depositary for Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euroclear System ('Euroclear') and Clearstream Banking, société anonyme ('Clearstream, Luxembourg'), formerly known as Cedelbank on or about the issue date thereof. Interests in each Temporary Global Note will be exchangeable for interests in a permanent global note of the relevant class (each a 'Permanent Global Note'), without coupons (the expression 'Global Notes' means the Temporary Global Note of each class and the Permanent Global Note of each class and the expression 'Global Note' means each Temporary Global Note or each Permanent Global Note, as the context may require) not earlier than 40 days after the Closing Date upon certification as to non-U.S. beneficial ownership. Interests in each Permanent Global Note will, in certain limited circumstances, be exchangeable for Definitive Notes in bearer form as described in the Conditions.

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 Seller, the Managers, the Pool Servicer, the Company Administrator, the Liquidity Facility Provider, the Replacement Liquidity Facility Provider, the Savings Mortgage Participants, the Floating Rate GIC Provider, the Subordinated Loan Provider, the Swap Counterparty, the Paying Agents, the Reference Agent (each as defined herein), or except for certain limited obligations under the Deed of Surety (as defined below) to – inter alia – the holders of the Notes (the 'Noteholders'), the Security Trustee. Furthermore, none of the Seller, the Managers, the Pool Servicer, the Company Administrator, the Liquidity Facility Provider, the Replacement Liquidity Facility Provider, the Savings Mortgage Participants, the Floating Rate GIC Provider, the Subordinated Loan Provider, the Swap Counterparty, the Paying Agents, the Reference Agent or any other person, in whatever capacity acting, other than the Security Trustee in respect of limited obligations under the Deed of Surety, 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 Seller, the Managers, the Pool Servicer, the Company Administrator, the Liquidity Facility Provider, the Replacement Liquidity Facility Provider, the Savings Mortgage Participants, the Floating Rate GIC Provider, the Subordinated Loan Provider, the Swap Counterparty, the Paying Agents or the Reference Agent will be under any obligation whatsoever to provide additional funds to the Issuer (save in the limited circumstances described herein).

Managers to the Senior Class A Notes

ABN AMRO

**ARTESIA BC
ING Barings/BBL**

**BNP Paribas Group
Rabobank International**

Manager to the Mezzanine Class B Notes

ABN AMRO

Manager to the Junior Class C Notes

ABN AMRO

The Issuer is responsible for the information contained in this Offering Circular other than the information referred to in the following paragraph. To the best of its knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this document 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 is responsible solely for the information contained in the following sections of this Offering Circular: 'the Dutch Residential Mortgage Market', 'ASR Verzekeringsgroep N.V.', 'Description of the Mortgage Loans' and 'Mortgage Loan Underwriting and Servicing'.

This Offering Circular is to be read in conjunction with the document which is deemed to be incorporated herein by reference (see 'General Information' below). This Offering Circular shall be read and construed on the basis that such document is incorporated in and forms part of this Offering Circular.

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

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

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

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

Neither the delivery of this Offering Circular at any time nor any sale made in connection with the offering of the Notes shall imply that the information contained herein is correct at any time subsequent to the date of this Offering Circular.

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

The Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the 'Securities Act') and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered, directly or indirectly, within the United States or to U.S. persons (see 'Purchase and Sale' below).

In connection with the issue of the Notes and in accordance with applicable law and regulations of the Luxembourg Stock Exchange, ABN AMRO may over-allot or effect transactions which stabilise or maintain the market price of the Notes at a level which might not otherwise prevail. Such stabilising, if commenced, may be discontinued at any time but will in any event be discontinued 30 days after the issue date of the Notes.

All references in this Offering Circular to 'Netherlands guilders', 'guilders', 'Dfl' and 'NLG' refer to a denomination of the currency of The Netherlands (with the understanding that since 1 January 1999 such currency is a sub-denomination of the Euro). All references to 'EUR' and 'euro' refer the single currency which was introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community (as amended by the Treaty on European Union).

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SUMMARY

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

Issuer:	Delphinus 2000-I B.V., incorporated under the laws of the Netherlands with limited liability as a ‘besloten vennootschap met beperkte aansprakelijkheid’, under number B.V. 1118214 and registered with the Commercial Register of the Chamber of Commerce of Amsterdam, under number 34.135891. The entire issued share capital of the Issuer is owned by Stichting Delphinus, established under the laws of the Netherlands as a foundation (‘stichting’).
Seller:	ASR Bank N.V. (the ‘Seller’ or ‘ASR Bank’)
Company Administrator:	ATC Management B.V.
Pool Servicer:	ASR Bank
Security Trustee:	Stichting Security Trustee Delphinus 2000-I, established under the laws of the Netherlands as a foundation (‘stichting’).
Stichting:	Stichting Delphinus, established under the laws of the Netherlands as a foundation (‘stichting’).
Directors:	ATC Management B.V., the sole director of the Issuer, Amsterdamsch Trustee’s Kantoor B.V., the sole director of the Security Trustee and ATC Trustees (Netherlands) B.V., the sole director of Stichting Delphinus. Each of the Directors belongs to the same group of companies.
Liquidity Facility Provider:	ASR Bank
Replacement Liquidity Facility Provider:	ABN AMRO Bank N.V.
Swap Counterparty:	ABN AMRO Bank N.V.
Floating Rate GIC Provider:	ABN AMRO Bank N.V.
Subordinated Loan Provider:	A group company of ASR Verzekeringsgroep N.V.
Principal Paying Agent:	ABN AMRO Bank N.V.
Paying Agent:	Société Générale Bank & Trust
Reference Agent:	ABN AMRO Bank N.V.
Savings Mortgage Participants:	Levensverzekering Maatschappij Woudsend N.V., de Verzekerings Unie Levensverzekering Maatschappij N.V. and Levensverzekering Maatschappij Stad Rotterdam N.V..
Notes:	The euro 337,500,000 Senior Class A Mortgage-Backed Notes 2000 due 2032 (the ‘Senior Class A Notes’), the euro 15,000,000 6.25 per cent. Mezzanine Class B Mortgage-Backed Notes 2000 due 2032 (the ‘Mezzanine Class B Notes’) and the euro 7,500,000 7.125 per cent.

Junior Class C Mortgage-Backed Notes 2000 due 2032 (the 'Junior Class C Notes', and together with the Senior Class A Notes and the Mezzanine Class B Notes, the 'Notes') will be issued by the Issuer on 26 June 2000 (or such later date as may be agreed between the Issuer and the Managers) (the 'Closing Date').

Issue Price: The issue prices of the Notes will be as follows:

- (i) the Senior Class A Notes 100%;
- (ii) the Mezzanine Class B Notes 98.63%;
- (iii) the Junior Class C Notes 99.895%.

Denomination: The Notes will be issued in denominations of euro 500,000.

Interest: Interest on the Senior Class A Notes is payable by reference to successive interest periods (each a 'Floating Interest Period') and will be payable quarterly in arrear in euros in respect of the Principal Amount Outstanding (as defined in the Conditions) on the 26th day of September, December, March and June (or, if such day is not a day on which banks are open for business in Amsterdam and Luxembourg provided that such day is also a day on which the Trans-European Automated Real-Time Gross Settlement European Transfer System ('TARGET System') or any successor thereto is operating credit or transfer instructions in respect of payments in euro (a 'Business Day'), the next succeeding Business Day, unless such Business Day falls in the next succeeding calendar month in which event the immediately preceding Business Day) in each year (each such day being a 'Quarterly Payment Date'). Each successive Quarterly Interest Period will commence on (and include) a Quarterly Payment Date and end on (but exclude) the next succeeding Quarterly Payment Date, except for the first Floating Interest Period which will commence on (and include) the Closing Date and end on (but exclude) 26 September, 2000.

Interest on the Senior Class A Notes for each Floating Interest Period from the Closing Date will accrue at an annual rate equal to the sum of the Euro Interbank Offered Rate ('Euribor') for three months deposits in euros (determined in accordance with Condition 4(f) plus, initially, a margin which will be equal to 0.29 per cent. per annum.

Interest on the Mezzanine Class B Notes and the Junior Class C Notes is payable by reference to successive interest periods (each a 'Fixed Interest Period') and will be payable annually in arrear in euros in respect of the Principal Amount Outstanding (as defined in the Conditions) on the 26th day of June (or if such day is not a Business Day, the next succeeding Business Day) in each year (each such day being an 'Annual Payment Date'). Each successive Fixed Interest Period will commence on (and include) the 26th day of June and end on (but exclude) the next succeeding 26th day of June, except for the Fixed Interest Period which will commence on (and include) 26 June 2000 end on (but exclude) 26 June, 2001.

The rate of interest on the Mezzanine Class B Notes will be 6.25 per cent. per annum and on the Junior Class C Notes 7.125 per cent. per annum.

If following the first Optional Redemption Date (as defined below) the Notes of any Class have not been redeemed in full, the interest applicable to the relevant Class of Notes will be equal to the sum of Euribor for three months deposits, payable by reference to Floating Interest Periods on each Quarterly Payment Date plus:

- (i) for the Senior Class A Notes, a margin of 1.29 per cent. per annum;
- (ii) for the Mezzanine Class B Notes, a margin of 1.75 per cent. per annum;
- (iii) for the Junior Class C Notes, a margin of 3 per cent. per annum.

Final Maturity Date: Unless previously redeemed as provided below, the Issuer will redeem the Notes at their respective Principal Amount Outstanding on 26 June 2032.

Mandatory Redemption of the Notes: Prior to enforcement of the security for the Notes, the Notes will be subject to mandatory redemption in part (i) in respect of the Senior Class A Notes on each Quarterly Payment Date and (ii) in respect of the Mezzanine Class B Notes and the Junior Class C Notes on each Annual Payment Date or, following the first Optional Redemption Date (as defined below), on each Quarterly Payment Date, in an amount equal to the Notes Redemption Available Amount (as defined in Condition 6) in the following order, (x) firstly, the Senior Class A Notes until fully redeemed and, thereafter, (y) the Mezzanine Class B Notes until fully redeemed and, thereafter, (z) the Junior Class C Subordinated Notes.

Optional Redemption of the Notes: Unless previously redeemed in full, the Issuer will have the option to redeem all of the Notes, but not some only, on 26 June 2010 and on each Quarterly Payment Date thereafter (each an 'Optional Redemption Date') at their Principal Amount Outstanding (as defined in the Conditions) or, in case of a Junior Class C Principal Shortfall (as defined in Condition 6 (e)) or a Mezzanine Class B Principal Shortfall (as defined in Condition 6 (e)), partially redeem the Junior Class C Notes or, as the case may be, the Mezzanine Class B Notes at their Principal Amount Outstanding less such Junior Class C Principal Shortfall or, as the case may be, Mezzanine Class B Principal Shortfall as provided in Condition 6(e), on such date.

Redemption for tax reasons: In the event of certain tax changes affecting the Notes, including in the event that the Issuer is or will be obliged to make any withholding or deduction from payments in respect of the Notes (although the Issuer will not have any obligation to pay additional amounts in respect of any such withholding or deduction), the Issuer may (but is not obliged to) redeem all (but not some only) of the Notes at their Principal Amount Outstanding together with accrued interest thereon up to and including the date of redemption, subject to and in accordance with the Conditions. No class of Notes may be redeemed under such circumstances unless the other classes of Notes (or such of them as are then outstanding) are also redeemed in full at the same time.

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

Withholding tax: All payments of, or in respect of, principal 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.

Use of proceeds:	The Issuer will use the net proceeds from the issue of the Notes to pay to the Seller (part of) the Initial Purchase Price for the Mortgage Receivables (as described below), pursuant to the provisions of an agreement dated 23 June, 2000 (the 'Mortgage Receivables Purchase Agreement') and made between the Seller, the Issuer and the Security Trustee. See further 'Mortgage Receivables Purchase Agreement' below.
Mortgage Receivables:	Under the Mortgage Receivables Purchase Agreement, the Issuer will on the Closing Date purchase and accept the assignment of any and all rights (the 'Mortgage Receivables') of the Seller against certain borrowers (the 'Borrowers') under or in connection with certain pre-selected Mortgage Loans (as defined below).
Repurchase of Receivables:	In the Mortgage Receivables Purchase Agreement the Seller has undertaken to repurchase and accept re-assignment of a Mortgage Receivable in case of a breach of the representations and warranties given in respect of such Mortgage Receivable. The Seller shall also purchase and accept re-assignment of a Mortgage Receivable in the same manner and on the same terms if at any time it agrees with a Borrower to amend the terms of the relevant Mortgage Loan and as a result thereof such Mortgage Loan or, as the case may be, Mortgage Receivable no longer meets certain criteria set forth in the Mortgage Receivables Purchase Agreement.
Mortgage Loans:	The Mortgage Receivables to be sold by the Seller pursuant to the Mortgage Receivables Purchase Agreement will relate to loans secured by a first-ranking or a first- and second ranking mortgage right, over residential property situated in the Netherlands and entered into by the Seller and the relevant Borrowers which meet criteria set forth in the Mortgage Receivables Purchase Agreement and which will be selected prior to or on the closing date (the 'Mortgage Loans'). The Mortgage Loans will consist of savings mortgage loans ('spaarhypotheken'), life mortgage loans ('levenhypotheken') or combinations of these with interest-only mortgages ('aflossingsvrije hypotheken'). See further 'Description of the Mortgage Loans' below.
Savings Mortgage Loans:	A portion of the Mortgage Loans will be in the form of savings mortgage loans ('spaarhypotheken', hereinafter 'Savings Mortgage Loans'), which consist of Mortgage Loans entered into by the Seller and the relevant Borrowers combined with an insurance policy (a 'Savings Insurance Policy') with any of the Savings Mortgage Participants. A Savings Insurance Policy is a combined risk and capital insurance policy taken out by the relevant Borrower with any of the Savings Mortgage Participants 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 Mortgage Participant to the relevant Borrower is equal to the amount due by the Borrower to the Seller at maturity of the Savings Mortgage Loan. See further 'Special Considerations' below.
Savings Mortgage Sub-Participation Agreement:	On the Closing Date, the Issuer will enter into a Savings Mortgage Sub-Participation Agreement with the Savings Mortgage Participants (the 'Savings Mortgage Sub-Participation Agreement') under which each of the Savings Mortgage Participants will acquire savings mortgage participations (the 'Savings Mortgage Participations') in the relevant Savings Mortgage Receivables. In the Savings Mortgage Sub-Participation Agreement the Savings Mortgage Participants will undertake to pay to the Issuer all amounts scheduled to be received as

Savings Premium on the Savings Insurance Policies. In return, the Savings Mortgage Participants are entitled to receive the Savings Mortgage Participation Redemption Available Amount (as defined in the 'Savings Mortgage Sub-Participation Agreement' below) from the Issuer. The amount of the Savings Mortgage Participation with respect to a Savings Mortgage Receivable consists of the initial Savings Mortgage Participation at the Closing Date, which is equal to the sum of all amounts due up to such date to the Savings Mortgage Participants as Savings Premium and accrued interest, increased on a monthly basis with the sum of (i) the Savings Premium due to the Savings Mortgage Participants and paid to the Issuer and (ii) a pro rata part, corresponding to the Savings Mortgage Participation in the relevant Savings Mortgage Receivable, of the interest due by the Borrower in respect of such Savings Mortgage Receivable. See further 'Savings Mortgage Sub-Participation Agreement' below.

Life Mortgage Loans:

A portion of the Mortgage Loans, not being Savings Mortgage Loans, will be in the form of life mortgage loans ('levenhypotheken', hereinafter 'Life Mortgage Loans'), i.e. Mortgage Loans which have the benefit of combined risk and capital insurance policies ('Life Insurance Policies') taken out by Borrowers with any of the Savings Mortgage Participants. Life Insurance Policies are offered in two alternatives. In the first alternative the yield on the premiums paid by the insured is guaranteed at a certain level and in the second alternative the yield will depend on the results of investments made by the relevant Savings Mortgage Participant with the premiums paid by the insured. See further 'Special Considerations' below.

Security for the Notes:

The Notes will be secured (a) directly, by a deed of surety to be entered into on the Closing Date between the Security Trustee and certain Secured Parties (as defined in 'Description of Security' below) pursuant to which the Security Trustee will agree to grant a surety ('borgtocht') to the Secured Parties, which include the Noteholders, on a limited recourse basis (the 'Deed of Surety'); (b) indirectly, through the Security Trustee, by a first ranking pledge by the Seller to the Security Trustee and a second ranking pledge by the Seller to the Issuer over the Mortgage Receivables, the rights of the Seller as beneficiary under the Savings Insurance Policies and the Life Insurance Policies and any Further Advances granted by the Seller (see 'Further Advances' below); and (c) indirectly, through the Security Trustee, by a first ranking pledge by the Issuer to the Security Trustee over the Issuer's rights under or in connection with the Mortgage Receivables Purchase Agreement, the Swap Agreement, the Servicing Agreement, the Liquidity Facility Agreement, the Floating Rate GIC, the Savings Mortgage Sub-Participation Agreement and in respect of the Transaction Accounts (as referred to below). The amount payable to the Noteholders and the other Secured Parties under the Deed of Surety will be limited to the amounts available for such purpose to the Security Trustee which, broadly, will consist of amounts recovered by the Security Trustee on the Mortgage Receivables and amounts received by the Security Trustee as creditor under the Mortgage Receivables Purchase Agreement. Payments under the Deed of Surety to the Secured Parties will be made in accordance with the Priority of Payments upon Enforcement (as defined in 'Credit Structure' below). See for a more detailed description 'Description of Security' below.

Servicing Agreement:

Under a servicing agreement to be entered into on the Closing Date (the 'Servicing Agreement') between the Issuer, ABN AMRO Trust Company (Nederland) B.V. as company administrator (the 'Company Administrator') and ASR Bank as pool servicer (the 'Pool Servicer') and the Security Trustee, the Pool Servicer will agree to provide (i) 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 section ‘Mortgage Loan Underwriting and Servicing’ below) and (ii) the Company Administrator will agree to provide certain administration, calculation and cash management services for the Issuer on a day-to-day basis, including without limitation, all calculations to be made in respect of the Notes pursuant to the Conditions.

Management Agreements:	On the Closing Date, each of the Issuer, the Stichting and the Security Trustee will enter into a management agreement (together the ‘Management Agreements’) with the relevant Director, whereunder the relevant Director will undertake to act as director of the Issuer, the Stichting or, as the case may be, the Security Trustee and to perform certain services in connection therewith.
Liquidity Facility:	On the Closing Date, the Issuer will enter into a 364 day term liquidity facility agreement with the Liquidity Facility Provider (the ‘Liquidity Facility Agreement’) whereunder the Issuer will be entitled to make drawings in order to meet certain shortfalls in its available revenue receipts. The Replacement Liquidity Provider assumes all rights and obligations of the Liquidity Facility Provider under the Liquidity Facility Agreement in certain circumstances. See ‘Credit Structure’ below.
Master Collection Account:	The Issuer shall maintain with the Floating Rate GIC Provider an account (the ‘Master Collection Account’) to which all amounts of interest, prepayment penalties and principal received under the Mortgage Receivables, will be transferred by the Pool Servicer in accordance with the Servicing Agreement.
Floating Rate GIC:	The Issuer and the Floating Rate GIC Provider will enter into a guaranteed investment contract (the ‘Floating Rate GIC’) on the Closing Date, whereunder the Floating Rate GIC Provider will agree to pay a guaranteed rate of interest determined by reference to Euribor on the balance standing from time to time to the credit of the Master Collection Account and the Reserve Account (as defined below, together with the Master Collection Account, the ‘Transaction Accounts’).
Swap Agreement:	On the Closing Date, the Issuer will enter into a swap agreement with the Swap Counterparty (the ‘Swap Agreement’) to hedge the basis risk between the rate of interest to be received by the Issuer on the Mortgage Receivables and the rate of interest payable by the Issuer on the Notes.
Subordinated Loan:	On the Closing Date, the Issuer will enter into a subordinated loan agreement (the ‘Subordinated Loan’) with the Subordinated Loan Provider for an amount of euro 4,500,000. The proceeds of the Subordinated Loan will be used in (partly) funding the Reserve Account (as defined below).
Reserve Account:	The Issuer will pay the proceeds of the Subordinated Loan to an account (the ‘Reserve Account’) held with the Floating Rate GIC Provider. The purpose of the Reserve Account will be to enable the Issuer to meet the Issuer’s payment obligations under items (a) up to and including [(k)] in the Interest Priority of Payments (as defined in ‘Credit Structure’ below) in the event of a shortfall of the Notes Interest Available Amount (as defined in ‘Credit Structure’ below) on a Calculation Date. If and to the extent that the Notes Interest Available Amount on any Calculation Date exceeds the amounts required to meet items (a) up to and including [(k)] of the Interest Priority of Payments, such excess amount will be used to deposit on or, as the case may be, to replenish the Reserve Account by crediting such amount to the Reserve Account up to the maximum

amount described below (the 'Reserve Account Target Level'). The Reserve Account Target Level will be euro 7,200,000. See further 'Credit Structure' below.

- Listing:** Application has been made for the Notes to be listed on the Luxembourg Stock Exchange.
- Rating:** It is a condition precedent to issuance that (i) the Senior Class A Notes, on issue, be assigned a rating of 'Aaa' by Moody's and 'AAA' by Fitch, (ii) the Mezzanine Class B Notes, on issue, be assigned a rating of at least 'A2' by Moody's and 'A' by Fitch and (iii) the Junior Class C Notes, on issue, be assigned a rating of at least 'Baa2' by Moody's and 'BBB' by Fitch.
- Governing Law:** The Notes will be governed by and construed in accordance with the laws of the Netherlands.
- Risk Weighing:** The Dutch Central Bank has stated that, for credit institutions regulated by it, the risk weighing applicable to the Senior Class A Notes shall be 50 per cent.

SPECIAL CONSIDERATIONS

The following is a summary of certain aspects of the issue of the Notes of which prospective Noteholders should be aware. It is not intended to be exhaustive, and prospective Noteholders should read the detailed information set out elsewhere in this document.

Liabilities under the Notes

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 Seller, the Pool Servicer, the Company Administrator, the Managers, the Liquidity Facility Provider, the Replacement Liquidity Facility Provider, the Savings Mortgage Participants, the Floating Rate GIC Provider, the Subordinated Loan Provider, the Swap Counterparty, the Paying Agents, the Reference Agent or, except for certain limited obligations under the Deed of Surety as more fully described in 'Description of Security', the Security Trustee. Furthermore, none of the Seller, the Pool Servicer, the Company Administrator, the Managers, the Liquidity Facility Provider, the Replacement Liquidity Facility Provider, the Savings Mortgage Participants, the Floating Rate GIC Provider, the Subordinated Loan Provider, the Swap Counterparty, the Paying Agents or the Reference Agent or any other person in whatever capacity acting, other than the Security Trustee in respect of limited obligations under the Deed of Surety, will accept any liability whatsoever to Noteholders in respect of any failure by the Issuer to pay any amounts due under the Notes.

The ability of the Issuer to meet its obligations in full to pay principal of and interest on the Notes will be dependent on the receipt by it of funds under the Mortgage Receivables, the proceeds of the sale of any Mortgage Receivables, the receipt by it of payments under the Swap Agreement and the receipt by it of interest in respect of the balances standing to the credit of the Master Collection Account and the Reserve Account. See further 'Credit Structure'. In addition, the Issuer will have available to it the balances standing to the credit of the Reserve Account for certain of its payment obligations.

Deed of Surety

The Notes will be secured, inter alia, by the Deed of Surety. Under the terms of the Deed of Surety, the Security Trustee will undertake to pay to the Secured Parties (including the Noteholders), subject to the Priority of Payments upon Enforcement (as described in 'Credit Structure' below), all amounts due and payable by the Issuer to the Secured Parties, including amounts due under or in connection with the Notes, if the Issuer does not perform its obligations vis-à-vis the Secured Parties, whether fully or partially. However, the payment obligations to the Secured Parties will be limited, broadly, to amounts received by the Security Trustee as creditor under the Mortgage Receivables Purchase Agreement and amounts recovered under any of the pledge agreements to which the Security Trustee is a party (as more fully described in 'Description of Security' below). Given the limited recourse provisions to be contained in the Deed of Surety, it should not be regarded as credit enhancement for the Notes in economic terms. The Deed of Surety will be entered into for purely technical reasons and will be used to create a recourse claim of the Security Trustee against the Issuer, so that as a matter of Netherlands law the Mortgage Receivables can be effectively pledged to the Security Trustee by the Seller.

Transfer of Legal Title to Mortgage Receivables

The Mortgage Receivables Purchase Agreement will provide that the assignment of the Mortgage Receivables by the Seller to the Issuer will not be notified by the Seller to the Borrowers except if certain events occur. For a description of these notification events reference is made to the section 'Mortgage Receivables Purchase Agreement' below. Under Netherlands law the assignment of a receivable is only perfected if the assignment has been notified to the borrower. Consequently, prior to such notification, legal title to the Mortgage Receivables will remain with the Seller. Notification of the assignment to a Borrower after the Seller has been declared bankrupt or has become subject to a suspension of payments will not be effective and, consequently, in such event the legal ownership to the Mortgage Receivables will not pass to the Issuer.

In order to protect the Issuer in the situation that notification of the assignment of the Mortgage Receivables can no longer be effectively made due to bankruptcy or suspension of payments involving the Seller, the Seller will grant a first-ranking 'silent' right of pledge (i.e. without notification being required) under Netherlands law to the Security Trustee and a second-

ranking 'silent' right of pledge to the Issuer over the relevant Mortgage Receivables and the Issuer will grant a first-ranking 'disclosed' right of pledge to the Security Trustee on the rights deriving from, inter alia, the Mortgage Receivables Purchase Agreement, as more fully described in 'Description of Security' below. Notification of the 'silent' rights of pledge in favour of the Security Trustee and the Issuer can be validly made after bankruptcy or suspension of payments have been declared in respect of the relevant Seller. Under Netherlands law the Issuer and the Security Trustee can, in the event of bankruptcy or suspension of payments in respect of the Seller, exercise the rights afforded by law to pledgees as if there were no bankruptcy or suspension of payments. However, bankruptcy or suspension of payments involving the Seller would affect the position of the Security Trustee and the Issuer as pledgees in some respects, the most important of which are: (i) payments made by Borrowers prior to notification but after bankruptcy or suspension of payments involving the Seller having been declared, will be part of the estate, although the relevant pledgee has the right to receive such amounts by preference, (ii) a mandatory 'cool-off' period of up to two months may apply in case of bankruptcy or suspension of payments involving the Seller, which, if applicable would delay the exercise of the right of pledge on the Mortgage Receivables and (iii) the relevant pledgee may be obliged to enforce its right of pledge within a reasonable period as determined by the judge-commissioner (rechter-commissaris) appointed by the court in case of bankruptcy of the Seller.

Set-off

Under Netherlands law each Borrower will, subject to the legal requirements for set-off being met, be entitled to set off amounts due by the Seller to it (if any) with amounts it owes in respect of the Mortgage Receivables. After assignment and/or pledge of the Mortgage Receivables to the Issuer and notification thereof to a borrower, the Borrower will also have set-off rights vis-à-vis the Issuer, provided that the legal requirements for set-off are met, and further provided that (i) the counterclaim of the Borrower results from the same legal relationship as the relevant Mortgage Receivable, or (ii) the counterclaim of the Borrower has been originated and become due prior to the assignment and/or pledge of the Mortgage Receivables and notification thereof to the relevant Borrower.

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

The Mortgage Receivables Purchase Agreement provides that if a Borrower sets off amounts due to it by the Seller against the relevant Mortgage Receivable and, as a consequence thereof, the Issuer does not receive the amount which it is entitled to receive in respect of such Mortgage Receivable, the Seller will pay to the Issuer an amount equal to the difference between the amount which the Issuer would have received in respect of the relevant Mortgage Receivable if no set-off had taken place and the amount actually received by the Issuer in respect of such Mortgage Receivable.

For specific set-off issues relating to Savings Mortgage Loans and Life Mortgage Loans reference is made to the paragraph 'Insurance Policies' below.

The Seller will also have the right to set-off any amounts owing to a Borrower against a Mortgage Receivable in respect of such Borrower. The Mortgage Receivables Purchase Agreement will provide that, prior to notification of the assignment and/or pledges, the Seller will pay to the Issuer any amounts not received by the Issuer as a result of such right of set-off being invoked by the Seller. After notification of the assignment and/or pledges to the Borrowers, the Seller will no longer have any set-off right against the relevant Borrowers.

Credit Mortgages

A portion of the Mortgage Receivables sold to the Issuer by the Seller will be secured by mortgage rights created under a mortgage deed in which the Borrower has given security over the mortgaged property in excess of the amount of the initial Mortgage Loan. The mortgage deeds relating to such Mortgage Receivables provide that any further advances granted by the Seller to the relevant Borrower ('Further Advances') are secured by the same mortgage right. It is likely that such Mortgage Receivables should be regarded as 'krediethypotheken'

(‘Credit Mortgages’). Under Netherlands law it is uncertain whether, in the event of assignment or pledge of a receivable secured by a Credit Mortgage, the Credit Mortgage will follow such receivable.

The Seller will undertake in the Mortgage Receivables Purchase Agreement to partially terminate the relevant mortgage rights securing Mortgage Receivables to the extent that the mortgage right secures debts other than the relevant Mortgage Receivables and any Further Advances granted by the Seller to the relevant Borrowers by giving notice of such partial termination to the relevant Borrowers at the same time that the Borrowers will be notified of the assignment (see ‘Transfer of Legal Title to Mortgage Receivables’ above). As a consequence of such partial termination the mortgage right would only secure the Mortgage Receivable assigned to the Issuer and the Further Advance held by the Seller (if any) and would, in effect, cease to be a Credit Mortgage. Although there is no case law directly to support this view, the Issuer has been advised that there are no reasons why the mortgage right will not follow the Mortgage Receivable upon its assignment if the credit mortgage character is removed through partial termination prior to transfer of legal title to the Mortgage Receivables to the Issuer. If a Further Advance has been granted by the Seller, this would imply that the mortgage right would be co-held by the Issuer and the Seller (see ‘Further Advances’ below).

The relevant statutory provisions only address termination in general, and legal commentators, although accepting the right of partial termination, do not specifically discuss partial termination of mortgage rights in the manner described above. It is therefore unclear whether such a partial termination complies with the relevant statutory requirements. Based upon a reasonable interpretation of the statutory provisions and the views expressed by legal commentators, there are strong reasons for arguing that the Seller can effectively terminate the mortgage rights as described above.

Under Netherlands law a mortgage right can be terminated by the mortgage holder provided that upon creation of the mortgage right the mortgage holder was granted such right by the mortgage deed. The terms of the mortgage deeds relating to the Mortgage Loans provide for a termination right in general and not specifically for a partial termination right. However, the Issuer has been advised that even in the latter case there are strong arguments for arguing that, based upon a reasonable interpretation of the termination provisions, it should include a partial termination right.

Should the Seller be declared bankrupt or become subject to suspension of payments, its undertaking to give a notice of partial termination is no longer enforceable and a notice of partial termination received after such date by a Borrower will not be effective. In such a situation the legal transfer of the relevant Mortgage Receivables can no longer be effected, although the Issuer and the Security Trustee will remain pledgees of such Mortgage Receivables (see ‘Transfer of Legal Title to Mortgage Receivables’ above). The fact that notice can no longer be given means that it is likely, depending on the specific facts and circumstances involved, that the Issuer and the Security Trustee will not have the benefit of a mortgage right securing such Mortgage Receivables and, if a Borrower will fail to comply with its obligations under the Mortgage Loan, the Issuer or the Security Trustee (as the case may be) would not be in a position to foreclose the mortgage right as pledgee of the Mortgage Receivables. In that case the assistance of the Seller’s administrator (in case of suspension of payments) or bankruptcy trustee (in case of bankruptcy) would be required to effect a foreclosure which would, in whole or in part, be for the benefit of the pledgees. It is uncertain whether such assistance will be forthcoming. A similar situation could arise if the Seller becomes subject to suspension of payments or is declared bankrupt after notice of partial termination is given and the courts would come to the conclusion, notwithstanding the arguments against such an interpretation, that a Credit Mortgage cannot be converted by way of partial termination into a mortgage right which only secures the Mortgage Receivables or, following such conversion, does not follow the Mortgage Receivables upon their pledge or assignment. Consequently, the Issuer would not have the benefit of the mortgage right securing such Mortgage Receivables and would have to rely on the assistance of the Seller’s administrator or bankruptcy trustee to foreclose the mortgage right.

Further Advances

As further set out in ‘Credit Mortgages’ above, a portion of the Mortgage Receivables is secured by mortgage rights which also secure any Further Advances granted by the Seller to the relevant

Borrower. Following partial termination of the mortgage rights and notification of the assignment to the Borrowers, subject to what is stated in 'Credit Mortgages' above, the relevant mortgage rights would be co-held by the Issuer and the Seller and would secure the Mortgage Receivable and the Further Advance subject to the rules applicable to co-ownership or community ('gemeenschap'). The Netherlands Civil Code provides for various mandatory rules relating to such co-held rights.

In the Mortgage Receivables Purchase Agreement the Seller and the Issuer will agree that the Issuer will manage and administer such co-held rights. Probably such arrangement will not be applicable to enforcement of the mortgage rights, and, consequently the consent of the Seller's trustee (in case of bankruptcy) or administrator (in case of emergency regulations) may be required for such foreclosure. However, the Security Trustee will be pledgee of both the Mortgage Receivable and the Further Advance (see below) and the Issuer has been advised that a good argument can be made that following notification of such pledges the trustee or administrator of the Seller no longer has the power to grant such consent. The Seller and the Issuer will also agree upon a subordination of the claim of the Seller for the Further Advance vis-à-vis the Mortgage Receivable held by the Issuer in case of foreclosure of the mortgage right. It is uncertain whether this provision will be enforceable under all circumstances. In this respect it will be agreed that in case of a breach by the Seller of its obligations under these agreements or if any of such agreement is dissolved, void, nullified or ineffective for any reason in respect of the Seller, the Seller shall compensate the Company forthwith for any and all loss, cost, claim, damage and expense whatsoever which the Company incurs as a result thereof. As security for such claim the Seller will undertake to create a right of pledge on any Further Advances to the Security Trustee and to the Company respectively, if and when such Further Advances are granted to the relevant Borrower.

Insurance Policies

The Life Mortgage Loans and the Savings Mortgage Loans have the benefit of Life Insurance Policies and Savings Insurance Policies respectively (together the 'Insurance Policies').

Pledge

All rights of a Borrower under Insurance Policies have been pledged to the Seller. It is uncertain under Netherlands law whether such pledge will be effective, since it is probable that the right to receive payment under the Insurance Policies will be regarded by a Netherlands court as a future right. The pledge of a future right is not effective if the pledgor is declared bankrupt or is granted a suspension of payments or emergency regulations, prior to the moment such right comes into existence. Even if the pledge on the rights on the Insurance Policies would be effective, it is unlikely that such right of pledge will pass to the Issuer or, as the case may be, the Security Trustee upon the assignment or pledge of the Mortgage Receivables, in those cases where the pledge secures the same liabilities as the Credit Mortgages. The observations on partial termination made in 'Credit Mortgages' above apply equally to such right of pledge.

Beneficiary

Furthermore, the Seller has been appointed as beneficiary under the Insurance Policies up to the amount owed by the Borrower under the mortgage deed or, in the case of mortgage deeds containing a Credit Mortgage, for all amounts which the Borrower is due under the mortgage deed and/or under any further advances granted to the Borrower (the 'Beneficiary Rights'), except that any other beneficiary appointed will rank ahead of the Seller, provided that in such event the relevant Savings Mortgage Participant is irrevocally authorized by such beneficiary to apply the insurance proceeds in satisfaction of the Mortgage Receivable. It is unlikely that the Beneficiary Rights will follow the Mortgage Receivables upon assignment or pledge thereof to the Issuer or the Security Trustee, but on the basis of the wording of the mortgage documentation it can be argued that the Issuer will upon notification of the assignment become beneficiary under the Insurance Policies. The Beneficiary Rights will be pledged to the Security Trustee and the Issuer (see 'Description of Security' below), but it is uncertain whether this pledge will be effective. For the event that the Issuer will not become beneficiary of the Insurance Policies and the pledge of the Beneficiary Rights is not effective, the Issuer will enter into a beneficiary waiver agreement (the 'Beneficiary Waiver Agreement') with the Seller and the Savings Mortgage Participants under which the Seller waives its rights as beneficiary under the Insurance Policies and appoints the Issuer as beneficiary subject to the condition precedent of the occurrence of a Notification Event. It is, however, uncertain whether such

waiver and appointment will be effective. If the Issuer has not become beneficiary of the Insurance Policies and the pledge and the waiver of the Beneficiary Rights are not effective, any proceeds under the Life Insurance Policies will be payable to the Seller up to the amount owed by the Borrower under the mortgage deed or, as the case may be, under the mortgage deed and any further advances. If at the time of such payment under any Life Insurance Policy legal title to the Mortgage Receivables (including any further advances) has not passed to the Issuer and the amount received by the Seller is not applied in reduction of the Mortgage Receivable, this could lead to the Borrower invoking defences against the Issuer or, as the case may be, the Security Trustee for the amounts so received by the Seller.

Set-off or defences

If any of the Savings Mortgage Participants would no longer be able to meet its obligations under the Insurance Policies, e.g. in case it is declared subject to emergency regulations or bankruptcy, Borrowers that have entered such Insurance Policies may try to limit the rights of the Seller or, as the case may be, the Issuer under the Mortgage Receivables through set-off or defences to the effect that such Borrowers are not liable to pay the amount outstanding under the Mortgage Receivables to the extent the Seller or, as the case may be, the Issuer or the Security Trustee would have received such amount from the relevant Savings Mortgage Participant, but for such default by this Savings Mortgage Participant.

In respect of a right of set-off by Borrowers the following is noted. As set out (in 'Set-off' above) the Borrowers have waived their set-off rights, but it is uncertain whether such waiver is effective. If the waiver is not effective, the Borrowers will in order to invoke a right of set-off, need to comply with the applicable requirements. One of these requirements is that the Borrower should have a claim which corresponds to his debt to the same counterparty. The Insurance Policies are contracts between the relevant Savings Mortgage Participant and the Borrowers and the Mortgage Loans are contracts between the Seller and the Borrowers. Therefore, in order to invoke a right of set-off the Borrowers would have to establish that the Seller and the Savings Mortgage Participants should be regarded as one legal entity. Furthermore, the Borrowers should have a counterclaim. If the relevant Savings Mortgage Participant is declared bankrupt or subject to emergency regulations, the Borrower will have the right to unilaterally terminate the Insurance Policy and to receive a commutation payment ('afkoopsom'). These rights are subject to the Borrower Insurance Pledge (see above) and, therefore, it is unlikely that the Borrower will be entitled to invoke a right of set off for the commutation payment. However, apart from the right to terminate the Insurance Policies, the Borrowers are also likely to have the right to rescind the Insurance Policies and to claim restitution of premiums paid and/or supplementary damages. It is uncertain whether such claim is subject to the Borrower Insurance Pledge. If not, the Borrower Insurance Pledge would not obstruct a right of set-off with such claim by Borrowers. Finally, set off vis-à-vis the Issuer and/or the Security Trustee is likely to be possible, since the Mortgage Loans and the Insurance Policies are to be regarded as one legal relationship (see 'Set-off' above).

Even if the Borrowers cannot invoke a right of set-off, they may invoke defences vis-à-vis the Seller, the Issuer and/or the Security Trustee, as the case may be. Borrowers could – inter alia – argue that it was the intention of the parties involved, at least that they could rightfully interpret the mortgage documentation and the promotional materials in such manner, that the Mortgage Receivable would be (fully or partially) repaid by means of the proceeds of the Insurance Policy and that, failing such proceeds, the Borrower is not obliged to repay the (corresponding) part of the Mortgage Receivable. On the basis of similar reasoning Borrowers could also argue that the Mortgage Loans and the Insurance Policy were entered into as a result of 'error' ('dwaling') or that it would be contrary to principles of reasonableness and fairness ('redelijkheid en billijkheid') for the Borrower to be obliged to repay the Mortgage Receivable to the extent that he has failed to receive the proceeds of the Insurance Policy.

Life Mortgage Loans

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

Savings Mortgage Loans

In respect of Savings Mortgage Loans the Issuer has been advised that the risk that such a set-off or defence would be successful is greater than in case of Life Mortgage Loans in view – inter alia – of the close connection between the Savings Mortgage Loan and the Savings Insurance Policy and the wording of the mortgage documentation used by the Seller. The Savings Mortgage Sub-Participation Agreement will provide that in case of set-off or defences by Borrowers, including but not limited to a right of set-off or defence based upon a default in the performance by the relevant Savings Mortgage Participant of its obligations under the relevant Savings Insurance Policy, and, as a consequence thereof, the Issuer will not have received any amount due and outstanding in respect of the relevant Savings Mortgage Participation of the relevant Savings Mortgage Participant will be reduced by an amount equal to the amount which the Company has failed to receive. Since the amount of the Savings Mortgage Participation is equal to the amount of Savings Premium received by the Issuer plus the accrued yield on such amount (see ‘Savings Mortgage Sub-Participation Agreement’ below), assuming that each Savings Mortgage Participant will have paid all Saving Premia received from the relevant Borrowers to the Issuer, normally the Issuer will not suffer any damages if the Borrower would invoke any such right of set-off or defence.

EC Withholding Directive

In May 1998, the European Commission presented to the Council of Ministers of the European Union a proposal to oblige Member States to adopt either a ‘withholding tax system’ or an ‘information reporting system’ in relation to interest, discounts and premiums. It is unclear whether this proposal will be adopted, and if it is adopted, whether it will be adopted in its current form. The ‘withholding tax system’ would require a paying agent established in a Member State to withhold tax at a minimum rate of 20 per cent. from any interest, discount or premium paid to an individual resident in another Member State unless such an individual presents a certificate obtained from the tax authorities of the Member State in which he is resident confirming that these authorities are aware of the payment due to that individual. The ‘information reporting system’ would require a Member State to supply, to other Member States, details of any payment of interest, discount or premium made by paying agents within its jurisdiction to an individual resident in another Member State. For these purposes, the terms ‘paying agent’ is widely defined and includes an agent who collects interest, discounts or premiums on behalf of an individual beneficially entitled thereto. If this proposal is adopted, it will not apply to payments of interest, discounts and premiums made before 1 January 2001.

Swap Agreement

The Swap Counterparty will be obliged to make payments under the Swap Agreement without any withholding or deduction of taxes unless required by law. If any such withholding or deduction is required by law, the Swap Counterparty will be required to pay such additional amount as is necessary to ensure that the net amount actually received by the Issuer will equal the full amount that the Issuer would have received had no such withholding or deduction been required. The Swap Agreement will provide, however, that if due to (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 Swap Agreement, the Swap Counterparty will, or there is a substantial likelihood that it will, be required to pay to the Issuer additional amounts for or on account of tax (a ‘Tax Event’), the Issuer may request the Swap Counterparty to use its reasonable efforts to transfer its rights and obligations to another of its offices, branches or affiliates to avoid the relevant Tax Event. If no such transfer can be effected, the relevant swap transaction may be terminated by the Swap Counterparty, whereupon the Swap Counterparty will quantify, in accordance with accepted market practice, any loss or gain which would be suffered by or accrued to it by closing out its position and a settlement payment will be made. Any such termination payment could, if interest rates have changed significantly, be substantial.

Each swap transaction will also be terminable by one party if (i) an event of default occurs in relation to the other party, (ii) it becomes unlawful for either party to perform its obligations under the Swap Agreement, (iii) an Enforcement Notice is served, or (iv) the relevant Class of Notes have been redeemed or repaid in full. Events of default in relation to the Issuer will be limited to (i) non-payment under the Swap Agreement, (ii) a merger or similar transaction with another entity or person without assumption of the Issuer’s obligations under the Swap Agreement and (iii) insolvency events.

Proposed Reform of Income Tax Act of the Netherlands

On 1 January 2001, the Income Tax Act 2001 will enter into force and will replace the Income Tax Act 1964. The Income Tax Act 2001 will be applicable to individuals as is the Income Tax Act 1964.

The new legislation provides generally for a broader tax base (fewer deductions) and lower tax rates. In addition, it makes a significant change in the taxation of investment income by providing for computation on the basis of presumptive – rather than actual – income. Under the proposals, net wealth tax will be abolished as from 1 January 2001.

Under the Income Tax Act 2001, income is divided into three separate ‘boxes’, the third of which is concerned with capital income, i.e., income from savings and investment. Taxable income is determined on the basis of a presumptive – i.e., deemed – return on capital, rather than on the basis of actual income (such as interest received). This deemed return has been fixed at 4% of average net capital, i.e., assets less qualifying liabilities, measured over the year from 1 January to 31 December. The 4% is applied after deduction of an exempt amount (euro 17,000). The deemed income is taxed at a flat rate of 30%.

As a transitional measure interest accrued in the period up to (but not including) January 2001 and paid on or after 1 January 2001 will be taxed at the progressive rates (at a maximum of 52%) of the first ‘box’.

It is noted that under the Income Tax Act 2001, interest and capital gains on (the disposal of) loans to resident and non-resident corporations which are subject to taxation on profits are taxed as business income (‘box 1’), if:

- a) the loan is concluded under such conditions that the loan in fact functions as equity for the corporation concerned; or
- b) on the date of conclusion of the loan, the compensation on the loan is determined in such a way, that the loan -according to the law or in fact- is, based on the whole term of the loan, for 50% or more dependant on the profits of the corporation concerned.

The same applies to loans concluded with an individual who has an enterprise to which the loan is attributable. It is expected that the Dutch Ministry of Finance will issue a publication in which the above-mentioned situations and conditions are further specified.

The above will only in certain specific situations be applicable to individuals who are non-residents of the Netherlands (see further ‘Taxation in The Netherlands’).

With respect to mortgages the most important changes will be:

- interest on mortgage loans will only be deductible for the first home;
- interest on mortgage loans will only be deductible where there is a direct relationship between the loan and the home;
- interest on mortgage loans will be only deductible for a maximum period of 30 years, for already existing mortgage loans starting on 1 January 2001.

CREDIT STRUCTURE

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

Mortgage Loan Interest Rates

The Mortgage Loans pay interest on a fixed rate basis, subject to a reset from time to time. On the Closing Date the weighted average interest rate of the Mortgage Loans is expected to be 5.47 per cent. Interest rates vary between individual Mortgage Loans. The range of interest rates is described further in 'Description of the Mortgage Loans' below.

Cash Collection Arrangements

Payments by the Borrowers under the Mortgage Loans are due on the 1st day of each month, interest being payable in advance. All payments made by Borrowers will be paid into the collection account maintained with the Seller. The collection account will also be used for the collection of moneys paid in respect of mortgages other than Mortgage Loans and in respect of other moneys belonging to the Seller.

On each Mortgage Payment Date (being the 6th business day following the last day of each Mortgage Calculation Period (defined below)) the Pool Servicer shall transfer (or procure that the Seller transfers on its behalf) all amounts of principal, interest and prepayment penalties received by the Seller in respect of the Mortgage Loans and paid to the Seller's collection account during the immediately preceding Mortgage Calculation Period (defined below), to the Master Collection Account.

For these purposes a 'Mortgage Calculation Period' is the period commencing on (and including) the sixth day of each calendar month and ending on (and including) the fifth day of the following calendar month.

Master Collection Account

The Issuer will maintain with the Floating Rate GIC Provider the Master Collection Account to which all amounts received (i) in respect of the Mortgage Loans and (ii) from the Savings Mortgage Participants under the Savings Mortgage Sub-Participation Agreement will be paid.

The Company Administrator will identify all amounts paid into the Master 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 a principal ledger (the 'Principal Ledger') or a revenue ledger (the 'Revenue Ledger'), as the case may be.

If at any time the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Floating Rate GIC Provider are assigned a rating of less than P-1 by Moody's or F-1+ by Fitch, the Issuer will be required within 30 days to transfer the Master Collection Account to an alternative bank with the required minimum rating or to obtain a third party, acceptable to Moody's and Fitch, to guarantee the obligations of the Floating Rate GIC Provider.

Priority of Payments in respect of interest

Prior to the delivery of an Enforcement Notice by the Security Trustee, the sum of the following amounts, calculated as at each Calculation Date (being the [third] business day prior to each Quarterly Payment Date) as being received during the Calculation Period (as defined in the Conditions) immediately preceding such Calculation Date:

- (i) as interest on the Mortgage Receivables, less, with respect to each Savings Mortgage Receivable, an amount calculated as follows: $R \times P/SMR$ whereby R = the interest received on such Savings Mortgage Receivable, P = Savings Mortgage Participation in such Savings Mortgage Receivable and SMR = the Outstanding Principal Amount of such Savings Mortgage Receivable;
- (ii) as interest credited to the Master Collection Account and the Reserve Account;
- (iii) as prepayment penalties under the Mortgage Receivables;

- (iv) as Net Proceeds (as defined in the Conditions) on any Mortgage Receivables, to the extent such proceeds do not relate to principal less, with respect to each Savings Mortgage Receivable, an amount calculated as follows: $Q \times P/SMR$ whereby Q = the amount not relating to principal received on such Savings Mortgage Receivable, P = Savings Mortgage Participation in such Savings Mortgage Receivable and SMR = the Outstanding Principal Amount of such Savings Mortgage Receivable;
- (v) as amounts to be drawn under the Liquidity Facility (other than Liquidity Facility Stand-by Drawings) (as defined below) on the immediately succeeding Quarterly Payment Date;
- (vi) as amounts to be drawn from the Reserve Account on the immediately succeeding Quarterly Payment Date;
- (vii) as amounts to be received from the Swap Counterparty under the Swap Agreement on the immediately succeeding Quarterly Payment Date;
- (viii) as amounts received in connection with a repurchase of Mortgage Receivables, pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts do not relate to principal less, with respect to each Savings Mortgage Receivable, an amount calculated as follows: $Q \times P/SMR$ whereby Q = the amount not relating to principal received on such Savings Mortgage Receivable, P = Savings Mortgage Participation in such Savings Mortgage Receivable and SMR = the Outstanding Principal Amount of such Savings Mortgage Receivable;
- (ix) as amounts received in connection with a sale of Mortgage Receivables, pursuant to the Trust Deed to the extent such amounts do not relate to principal less, with respect to each Savings Mortgage Receivable, an amount calculated as follows: $Q \times P/SMR$ whereby Q = the amount not relating to principal received on such Savings Mortgage Receivable, P = Savings Mortgage Participation in such Savings Mortgage Receivable and SMR = the Outstanding Principal Amount of such Savings Mortgage Receivable; and
- (x) as amounts received as post-foreclosure proceeds on the Mortgage Receivables;

(items (i) up to and including (x) being hereafter referred to as the 'Notes Interest Available Amount') will pursuant to terms of the Trust Deed be applied by the Issuer on the immediately succeeding Quarterly Payment Date as follows (in each case only if and to the extent that payments of a higher order of priority have been made in full) (the 'Interest Priority of Payments'):

- (a) **first**, in or towards satisfaction, pro rata, according to the respective amounts thereof, of the fees or other remuneration due and payable to the Directors in connection with the Management Agreements and any costs, charges, liabilities and expenses incurred by the Security Trustee under or in connection with any of the Relevant Documents;
- (b) **second**, in or towards satisfaction, of administration fees and expenses due and payable to the Company Administrator and the Pool Servicer under the Servicing 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 obligation incurred in the Issuer's business (other than under the Relevant 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 sums due to the relevant rating agencies and (ii) fees and expenses due to the Paying Agents and the Reference Agent under the Paying Agency Agreement;
- (d) **fourth**, in or towards satisfaction of any amounts due and payable to the Liquidity Facility Provider or, as the case may be, the Replacement Liquidity Facility Provider under the Liquidity Facility, but excluding any gross-up amounts due under the Liquidity Facility and payable under (l) below, or, following a Liquidity Facility Stand-by Drawing in or towards satisfaction of sums to be credited to the Liquidity Facility Stand-by Ledger;
- (e) **fifth**, in or towards satisfaction of amounts, if any, due but unpaid under the Swap Agreement;

- (f) **sixth**, in or towards satisfaction of all amounts of interest due or accrued due but unpaid in respect of the Senior Notes;
- (g) **seventh**, in or towards making good any shortfall reflected in the Class A Principal Deficiency Ledger (defined below) until the debit balance, if any, on the Class A Principal Deficiency Ledger is reduced to zero;
- (h) **eighth**, in or towards satisfaction of interest due or accrued due but unpaid on the Mezzanine Class B Notes;
- (i) **ninth**, in or towards making good any shortfall reflected in the Class B Principal Deficiency Ledger (defined below) until the debit balance, if any, on the Class B Principal Deficiency Ledger is reduced to zero;
- (j) **tenth**, in or towards satisfaction of interest due or accrued due but unpaid on the Junior Class C Notes;
- (k) **eleventh**, in or towards making good any shortfall reflected in the Class C Principal Deficiency Ledger (defined below) until the debit balance, if any, on the Class C Principal Deficiency Ledger is reduced to zero;
- (l) **twelfth**, in or towards satisfaction of any sums required to deposit on the Reserve Account (defined below) or, as the case may be, to replenish the Reserve Account up to the amount of the Reserve Account Target Level (defined below);
- (m) **thirteenth**, in or towards satisfaction of interest due but unpaid in respect of the Subordinated Loan;
- (n) **fourteenth**, in or towards satisfaction, pro rata, according to the respective amounts thereof, of gross-up amounts due, if any (i) to the Company Administrator or the Pool Servicer, as the case may be, under the Servicing Agreement and (ii) to the Liquidity Facility Provider pursuant to the Liquidity Facility Agreement;
- (o) **fifteenth**, in or towards satisfaction, of repayment of principal under the Subordinated Loan; and
- (p) **sixteenth**, in or towards satisfaction of a Deferred Purchase Price Instalment (as defined in 'Mortgage Receivables Purchase Agreement' below) to the Seller.

Payments may be made from the Master Collection Account other than on a Quarterly Payment Date only to satisfy amounts due to third parties (other than pursuant to the Relevant Documents) and payable in connection with the Issuer's business [and amounts due under the Savings Mortgage Sub-Participation Agreement.

Priority of Payments in respect of principal

The sum of the following amounts, as defined in Condition 6(b) of the Conditions calculated as at any Calculation Date, as being received during the immediately preceding Calculation Period:

- (i) by means of repayment and prepayment of principal under the Mortgage Receivables, from any person, whether by set-off or otherwise, but, for the avoidance of doubt, excluding prepayment penalties, if any, and, furthermore, excluding amounts paid as partial prepayments on the Savings Mortgage Receivables, less, with respect to each Savings Mortgage Receivable, the Savings Mortgage Participation in such Savings Mortgage Receivable;
- (ii) as Net Proceeds (as defined in Condition 6(b) (iii)) on any Mortgage Receivable, to the extent such proceeds relate to principal less, with respect to each Savings Mortgage Receivable, the Savings Mortgage Participation in such Savings Mortgage Receivable;

- (iii) in connection with a repurchase of Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal less, with respect to each Savings Mortgage Receivable, the Savings Mortgage Participation in such Savings Mortgage Receivable;
- (iv) in connection with a sale of Mortgage Receivables pursuant to the Trust Deed to the extent such amounts relate to principal, less, with respect to each Savings Mortgage Receivable, the Savings Mortgage Participation in such Savings Mortgage Receivable;
- (v) as amount to be credited to the Principal Deficiency Ledger on the immediately succeeding Quarterly Payment Date in accordance with the Servicing Agreement;
- (vi) as Savings Mortgage Participation Increase pursuant to the Savings Mortgage Sub-Participation Agreement;
- (vii) as partial prepayment in respect of Savings Mortgage Receivables;
- (viii) as amounts equal to the excess (if any) of (a) the aggregate proceeds of the issue of the Notes and the Initial Participation over (b) the Initial Purchase Price of the Mortgage Receivables;

(items (i) up to and including (vii) hereinafter referred to as the 'Notes Redemption Available Amount') will be applied by the Issuer on the next succeeding Quarterly Payment Date (and in each case only if and to the extent that payments or provisions of a higher priority have been made in full):

- (a) **first**, in or towards satisfaction of principal amounts due under the Senior Class A Notes on the relevant Quarterly Payment Date or, as the case may be, the Final Maturity Date;
- (b) **second**, in or towards satisfaction of principal amounts due under the Mezzanine Class B Notes on the relevant Annual Payment Date or, as the case may be, the relevant Quarterly Payment Date, or, as the case may be, the Final Maturity Date;
- (c) **third**, in or towards satisfaction of principal amounts due under the Junior Class C Notes on the relevant Annual Payment Date or, as the case may be, the relevant Quarterly Payment Date, or, as the case may be, the Final Maturity Date.

Priority of Payments upon Enforcement

Following delivery of an Enforcement Notice any amounts payable by the Security Trustee under the Deed of Surety, other than in respect of the Savings Mortgage Participations, will be paid to the Secured Parties (including the Noteholders but excluding the Savings Mortgage Participants) in the following order of priority (and in each case only if and to the extent payments of a higher priority have been made in full) (the '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, (iii) the fees and expenses of the Paying Agents and the Reference Agent incurred under the provisions of the Paying Agency Agreement, (iv) the fees and expenses of any legal advisor, auditor, accountants and Moody's, and Fitch appointed by the Issuer and/or, as the case may be, the Security Trustee, and (v) the fees and expenses of the Company Administrator and the Pool Servicer under the Servicing Agreement;
- (b) **second**, in or towards satisfaction of any sums due or accrued due but unpaid under the Liquidity Facility Agreement;
- (c) **third**, in or towards satisfaction, pro rata, according to the respective amounts thereof, of (i) all amounts of interest due or accrued due but unpaid in respect of the Senior Class A Notes and (ii) amounts, if any, due but unpaid to the Swap Counterparty under the Swap Agreement including amounts due in respect of the costs to be paid by the Issuer upon

early termination of the Swap Agreement as determined in accordance with their terms but excluding any other costs to be paid by the Issuer on such early termination payable under subparagraph (i) below;

- (d) **fourth**, in or towards satisfaction, pro rata, according to the respective amounts thereof, of all amounts of principal and any other amount due but unpaid in respect of the Senior Class A Notes;
- (e) **fifth**, in or towards satisfaction of all amounts of interest due or accrued due but unpaid in respect of the Mezzanine 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 Mezzanine Class B Notes;
- (g) **seventh**, in or towards satisfaction of all amounts of interest due or accrued due but unpaid in respect of the Junior Class C Notes;
- (h) **eighth**, in or towards satisfaction of all amounts of principal and any other amount due but unpaid in respect of the Junior Class C Notes; and
- (i) **ninth**, to the Swap Counterparty in or towards payments of any amounts due under the Swap Agreement in respect of the Issuer's obligations in respect of the costs (other than any settlement amounts) to be paid by the Issuer upon an early termination of the Swap Agreement, as determined in accordance with their terms;
- (j) **tenth**, in or towards satisfaction, pro rata, according to the respective amounts thereof, of gross-up amounts due, if any (i) to the Company Administrator or the Pool Servicer, as the case may be, under the Servicing Agreement and (ii) to the Liquidity Facility Provider pursuant to the Liquidity Facility Agreement;
- (k) **eleventh**, in or towards satisfaction of all amounts of interest and principal due but unpaid in respect of the Subordinated Loan;
- (l) **twelfth**, in or towards satisfaction of the Deferred Purchase Price to the Seller.

Liquidity Facility

On the Closing Date, the Issuer will enter into the Liquidity Facility Agreement with the Liquidity Facility Provider and the Replacement Liquidity Facility Provider. The Issuer will be entitled on any Quarterly Payment Date (other than an Optional Redemption Date if and the extent that on such date the Notes are redeemed in full) to make drawings under the Liquidity Facility up to the Liquidity Maximum Amount (as defined below). The Liquidity Facility Agreement is for a term of 364 days. The commitment of the Liquidity Facility Provider is extendable at its option. Any drawing under the Liquidity Facility by the Issuer shall only be made on a Quarterly Payment Date if and to the extent that, after the application of amounts available in the Reserve Account and before any drawing under the Liquidity Facility, there is a shortfall in the Notes Interest Available Amount to meet items (a) to (j) (inclusive) (but not items (g) or (i)) in the Interest Priority of Payments in full on that Quarterly Payment Date, provided that no drawing may be made to meet items (h) or (j) to the extent that, after the application of the Notes Interest Available Amount, a debit balance would remain on the Class C Principal Deficiency Ledger. The Liquidity Facility Provider will rank in priority in point of payments and security to the Notes.

In the Liquidity Facility Agreement it is agreed that the Replacement Liquidity Facility Provider assumes all rights and obligations thereunder subject to the condition precedent of (i) a Notification Event occurring in respect of the Seller (see 'Mortgage Receivables Purchase Agreement' below) or (ii) if the Liquidity Facility is not renewed following its commitment termination date. This assumption of rights and obligations will be automatically dissolved if, prior to fulfilment of the condition precedent for such transfer, the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Replacement Liquidity Facility Provider are assigned a rating of less than P-1 Moody's and/or F-1+ by Fitch. In such event the Issuer and the Liquidity Facility Provider will use their best efforts to find a suitable alternative Replacement Liquidity Facility Provider.

If following the assumption of the rights and obligations under the Liquidity Facility Agreement (i) the short-term unsecured, unsubordinated and unguaranteed debt obligations of the Replacement Liquidity Facility Provider are assigned a rating of less than P-1 by Moody's and/or F-1+ by Fitch and (ii) the Replacement Liquidity Facility Provider is not replaced by the Issuer with a suitable alternative Replacement Liquidity Facility Provider within 30 days of such downgrading and (iii) the then current rating of the Notes is materially adversely affected, the Issuer will be required forthwith to draw down the entirety of the undrawn portion of the Liquidity Facility (a 'Liquidity Facility Stand-by Drawing') and credit such amount to the Floating Rate GIC Account with a corresponding credit to a ledger to be known as the 'Liquidity Facility Stand-by Ledger'. Amounts so credited to the Floating Rate GIC Account may be utilised by the Issuer in the same manner as if the Liquidity Facility had not been so drawn. A Liquidity Facility Stand-by Drawing shall also be made if the Liquidity Facility is not renewed following its commitment termination date.

For these purposes, 'Liquidity Facility Maximum Amount' means, on each Calculation Date, an amount equal to three per cent. of the Principal Amount Outstanding of the Notes on such date.

Subordinated Loan

On the Closing Date the Subordinated Loan Provider will make available to the Issuer a subordinated loan (the 'Subordinated Loan') in an amount of euro 4,500,000 which will be used to (partially) fund the Reserve Account.

Reserve Account

The Issuer will pay the amount drawn under the Subordinated Loan to the Reserve Account on the Closing Date.

If and to the extent that the Notes Interest Available Amount on any Calculation Date exceeds the amounts required to meet items ranking higher in the Priority of Payments, the excess amount will be applied to deposit on the Reserve Account or, as the case may be, to replenish the Reserve Account, to the extent required until the balance standing to the credit of the Reserve Account equals the Reserve Account Target Level.

The Reserve Account Target Level shall on any Calculation Date be equal to euro 7,200,000.

To the extent that the balance standing to the credit of the Reserve Account on any Calculation Date exceeds the Reserve Account Target Level, such excess shall be drawn from the Reserve Account on the immediately succeeding Quarterly Payment Date and shall form part of the Notes Interest Available Amount on such Quarterly Payment Date.

Amounts credited to the Reserve Account will be available on any Quarterly Payment Date to meet items (a) to (k) inclusive of the Interest Priority of Payments.

Principal Deficiency Ledger

A 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 losses on the Mortgage Receivables (each respectively the 'Class A Principal Deficiency', the 'Class B Principal Deficiency' and the 'Class C Principal Deficiency', together a 'Principal Deficiency'). Any Principal Deficiency shall be debited to the Class C Principal Deficiency Ledger (such debit items being recredited at item (k) of the Interest Priority of Payments) so long as the debit balance on such sub-ledger is less than the Principal Amount Outstanding of the Junior Class C Notes (the 'Class C Principal Deficiency Limit') and thereafter such amounts shall be debited to the Class B Principal Deficiency Ledger (such debit items being recredited at item (i) of the Interest Priority of Payments) so long as the debit balance on such sub-ledger is less than the Principal Amount Outstanding of the Mezzanine Class B Notes (the 'Class B Principal Deficiency Limit') and thereafter such amounts shall be debited to the Class A Principal Deficiency Ledger (such debit items being recredited at item (g) of the Interest Priority of Payments).

Interest Rate Hedging

The Mortgage Loan Criteria (as defined under 'Mortgage Receivables Purchase Agreement' below) require that all Mortgage Loans bear a fixed rate of interest subject to a reset from time to time. The interest rate payable by the Issuer with respect to (i) the Senior Class A Notes is calculated as a margin over Euribor and (ii) the Mezzanine Class B Notes and the Junior Class C Notes is fixed until the first Optional Redemption Date. After such date the interest rate payable by the Issuer on the Mezzanine Class B Notes and the Junior Class C Notes will switch to a floating rate of interest. The Issuer will hedge this interest rate exposure by entering into the Swap Agreement with the Swap Counterparty. Under the Swap Agreement, the Issuer will agree to pay amounts equal to the scheduled interest on the Mortgage Receivables less an excess margin of 25 basis points applied to the relevant Principal Amount Outstanding of the Notes on the first day of the relevant Floating Interest Period or Fixed Interest Period, as the case may be, and the Swap Counterparty will agree to pay amounts equal to the scheduled interest due under the Notes, and calculated by reference to the floating rate of interest or, as the case may be, to the fixed rate of interest applied to the Principal Amount Outstanding of the relevant Class of Notes on the first day of relevant Floating Interest Period or Fixed Interest Period, as the case may be and certain expenses as described under (a), (b) and (c) of the interest priority of payments.

Pursuant to the Swap Agreement, if the unsecured, unsubordinated and unguaranteed debt obligations of the Swap Counterparty are assigned a rating of less than P-1 by Moody's or F-1+ by Fitch or any such rating is withdrawn by Moody's or Fitch then the Swap Counterparty will be obliged to use its reasonable endeavours to assist the Issuer in ensuring (if necessary) that, within sixty days of such reduction or withdrawal of any such rating, the rating of the Senior Class A Notes is that which would have subsisted but for the then current rating in respect of the Swap Counterparty. These endeavours may include (i) obtaining a third party, acceptable to Moody's and Fitch and the issuer, to guarantee the obligations of the Swap Counterparty under the Swap Agreement, or (ii) the Swap Counterparty providing cash collateral sufficient to maintain the rating of the Senior Class A Notes at the level which would have subsisted but for the then current rating of the Swap Counterparty, or (iii) any other action the Swap Counterparty in its sole discretion deems necessary to assist the Issuer in restoring the rating of the Senior Class A Notes to the rating that would have subsisted but for the then current rating of the Swap Counterparty.

OVERVIEW OF THE DUTCH RESIDENTIAL MORTGAGE MARKET

Market Evolution

The Dutch housing market is relatively stable compared to certain other European Union countries and has not experienced any drastic downturns like for example the United Kingdom. However, when comparing the Dutch housing market to other European Union countries, some differences are apparent. The Netherlands has a very low level of owner occupancy. Only 50.8% of all houses are occupied by their owners, compared to 42% in 1982. The average level of house ownership for all EU countries is 60%. Table 1 below shows the growth of the total Dutch residential stock and the proportion of those that are owner occupied.

Table 1: Total dwelling stock and percentage owner occupied

Year	Total Dwelling Stock	Percentage Owner Occupied (%)
1948	2,094,800	28.0
1957	2,583,000	29.0
1964	3,072,000	34.0
1971	3,787,000	35.0
1976	3,906,000	41.0
1982	4,957,000	42.0
1985	5,289,317	42.7
1990	5,802,361	45.2
1994	6,118,000	48.0
1995	6,276,045	48.8
1996	6,357,569	49.5
1997	6,440,511	50.5
1998	6,522,362	50.8
1999	6,588,069	n.a.

Source: CBS/VROM/WBO.

After a housing recession during 1978-1982 house prices in The Netherlands have steadily increased. Table 2 depicts the yearly house price variations for the last 11 years. These percentages are derived from the Dutch Association of Real Estate Agencies ('Nederlandse Vereniging van Makelaars' NVM'), which covers approximately 65% of property sales in The Netherlands.

Table 2: Evolution of House Prices

Years	Annual Increases in Market Value
1989	6.6%
1990	1.7%
1991	3.4%
1992	8.0%
1993	9.0%
1994	8.2%
1995	3.7%
1996	9.7%
1997	9.9%
1998	9.0%
1999	20.3%

Source: NVM.

Price movements stem from developments on both the demand and supply side of the market. In addition, the change in the average quality of the housing stock is also a factor for house price movements.

A proportion of residential mortgage loans have the benefit of a life insurance policy or a savings insurance policy, with the most common term of insurance being 30 years. The government encourages this method of redemption by exempting from tax the capital sum received under the policy, up to a certain amount (in 2000: NLG 272,000 for individuals and NLG 544,000 for married couples) plus annual indexation, provided the term of insurance is at least 20 years. In addition, the insurance policies are exempted from wealth tax.

The only European states allowing full deduction of mortgage interest payments for income tax are the Netherlands, Denmark and Greece. Some changes to the Dutch tax regime are due to be introduced on 1 January 2001. This will result in a number of adjustments to the current system in relation to mortgages. The most important of these are:

- mortgage interest will only be deductible for the first home;
- mortgage interest will only be deductible where there is a direct relationship between the loan and the home (improvement);
- mortgage interest will be deductible for a maximum of 30 years from 2001.

The combination of an attractive fiscal regime, generally long periods of fixed interest rates and attractive repayment arrangements lead to advances of up to 130% of the foreclosure value. In the Netherlands the foreclosure value equals approximately 85% of the market value.

Demand

Several factors have contributed to robust housing demand growth in the nineties.

1. The (expected) level of borrowing costs and the tightness of mortgage lending standards have been very decisive factors for housing demand. In the first half of 1999, Dutch mortgage rates dropped to historically low levels.
2. The trend in housing rents as compared to mortgage debt servicing costs is relevant. In the Netherlands, the rise in rents accelerated in the early nineties as a result of government policy directed at making the subsidised rental sector cost-effective. This has increased the attractiveness of owner-occupied properties.
3. A third relevant element has been the wealth effect. On the Dutch stock and housing markets alike, huge capital gains have been realised over the past couple of years. The greater sense of wealth – and the expectation of further capital gains – may have increased the propensity to buy houses.
4. Fourthly, demographic trends, such as the composition of households and population growth, have influenced the demand for housing. In the Netherlands, the number of single-person households has doubled in the past 25 years. Single households account for much of the steady rise in the number of households in this period.
5. Finally, the favourable economic climate has stimulated housing demand. Dutch GDP growth has been above trend over the past few years. The resulting rise in total disposable income and high consumer confidence levels have contributed to strong housing demand as well.

Supply

On the supply side, building costs – including labour and materials – and house and land prices are the main determinants. The more pronounced the rise in house prices is relative to the increase in building costs and land prices, the more profitable it will be for contracting firms to supply new housing units. In addition, demolition causes changes in the housing stock. Finally, the availability of land for housing development is highly important. In the Netherlands, the VINEX-memorandum – published by the Ministry for Housing, Spatial Planning and Environment – has been significant in determining the number of houses built and their location. Overall, total housing supply in the Netherlands has shown only a very moderate rise since the beginning of the nineties. Moreover, part of this new supply was allocated to the rental sector.

According to the Ministry for Housing, Spatial Planning and Environment and the Statistics Office (CBS), the housing shortage amounted to almost 100,000 units in 1998.

Market players

Residential mortgages are provided by commercial banks, insurance companies, building societies, pension funds, mortgage banks and other institutions. The market shares of the different originators are described below:

Evolution of Dutch Mortgage Market Shares

In Percentages of total volume	1999	1998	1997	1996	1995
RABO bank	22.3	22.1	21.5	22	24.5
ABN AMRO	15.3	18.4	17	14.3	13.2
ING Bank / Postbank	15.4	17.1	20	19.7	16.7
Savings Banks	7.3	6.6	5.1	6	7.3
Total Banks	60.3	64.2	63.6	62	61.7
Nationale Nederlanden (ING)	2.3	3	2.9	2.8	2.9
Aegon	2.3	2.8	2.4	1.8	1.4
Other Insurance Companies	12.7	11	9.8	9.5	8.8
Total Insurance Companies	17.3	16.8	15.1	14.1	13.1
Building Societies	5.4	6.4	6.4	6.9	7.7
Pension Funds	2.3	2.5	2.9	3.1	3.4
Mortgage Banks	2	1.3	1.8	2.5	1.7
Miscellaneous	12.6	8.8	10.2	11.4	12.2
TOTAL *	100	100	100	100	100
Origination in EURO millions	75,521	57,342	46,759	36,425	25,800
Amount outstanding in EURO millions	250,000**	221,000	193,000	167,000	146,000

* Differences due to rounding

** Estimation

Source: ABN AMRO Bank NV

These institutions offer a large variety of mortgage types. The most common are annuity, linear, savings and life insurance/investment mortgages. During recent years savings mortgages and investment mortgages have become the most popular, capturing the majority of the new mortgages granted. In 1998 50% of all new mortgages were investment mortgages and 20% savings mortgages. Under both savings and life insurance/investment mortgages no principal is repaid during the term of the contract. Instead, in the case of a savings mortgage, the borrower makes payments on a regular basis to the lender and the insurance company consisting of interest on the mortgage, an insurance premium and a savings element. Upon maturity the loan is repaid with the money saved in the savings account, which is invested in the mortgage concerned. The net result is that a savings mortgage effectively equals an annuity mortgage. As the interest paid on the mortgage is tax deductible and the capital built up in the savings account is, under certain conditions, tax free, this product takes optimal advantage of the current tax system. In the case of an insurance mortgage the insurance company on behalf of the borrower invests the savings element of the monthly payment. Upon maturity the loan is repaid with the receipts from this investment, which is uncertain but is guaranteed by the insurance company for a certain minimum amount. In the case of an investment mortgage the savings element is not invested in ones own mortgage or by the insurance company but can be invested at discretion of the borrower in a variety of investment funds offered by the insurance company with a variety of risk/return profiles. Upon maturity the loan is repaid with the money invested and accumulated in the funds.

ASR VERZEKERINGSGROEP N.V.

Introduction

ASR Verzekeringsgroep N.V. ('ASR') is active in life, health and casualty insurance in the Netherlands. Since 1964 Stad Rotterdam's depository receipts for shares have been listed on the Amsterdam Stock Exchange and are currently listed under the name of ASR on the Amsterdam, Brussels and Antwerp stock exchanges. The articles of association were last amended by notarial deed on 24th July, 1998. ASR has its registered office in Rotterdam and is registered in the Rotterdam Trade Register under number 24104672.

Structure and Activities

ASR is a holding company with interests in companies whose activities are mainly in the field of financial services. The ASR Group of companies comprises a number of life and non-life insurance companies, which have leading positions in the Dutch insurance market and ASR is ranked sixth in that market. The group's strategy focuses on the use of the independent insurance brokers as a distribution channel.

ASR has organized its business and holds 100% of the shares in the following five companies: Stad Rotterdam Verzekeringen N.V., De Amersfoortse Verzekeringen N.V., Europeesche Verzekering Maatschappij N.V., ASR Participatiemaatschappij N.V. and Basic-Life N.V. Total group assets were NLG 34.4 billion at the end of 1999. The business activities of ASR are concentrated in Stad Rotterdam Verzekeringen (focus on personal life and non-life as well as on small and medium sized businesses in the corporate insurance market), De Amersfoortse Verzekeringen (occupational disability insurance and life), Woudsend Verzekeringen (life and non-life), Europeesche Verzekeringen (market leader in travel and leisure activity insurance sector), ASR Bank (home mortgage lending, personal savings and investments and consumer credit), and Basic-life (internet based life insurance).

Key figures

(As at 31 December, in millions of Dutch guilders; EUR 1 = NLG 2.20371)

	1999	1998	1997	1996	1995
Income					
– Non-life insurance	2,078	1,870	1,758	1,619	1,369
– Life insurance	2,022	2,497	1,993	1,575	1,504
Total premium income	4,100	4,367	3,751	3,194	2,873
– Investment income	1,787	1,666	1,508	1,348	1,131
Total income	5,887	6,033	5,259	4,542	4,004
Operating profit					
– Non-life insurance	174	150	142	121	90
– Life insurance	257	214	155	118	106
Insurance operations	431	364	297	239	196
– Other activities	67	47	35	29	25
Total operating profit	498	411	332	268	221
Net profit	346*	286	224	157	133

* Excluding profit on disposal of NIB amounting to NLG 124.4 million.

Supervisory Board

J.M. Schröder (Chairman)
L.M. Overmars (Vice Chairman)
D.J.M. Dura
J.H.W. Goslings
L.M. van Leeuwen
J. Mentink

Executive Board

C.J. de Swart (Chairman)
J.C. van Ek (Vice Chairman)
V.I. Goedvolk

ASR Bank

ASR Bank started its banking activities on 29th June, 1992 under the name SR-Bank N.V. The Board of Directors of ASR Bank has its domicile in the city of Rotterdam. Its main activities are the acceptance of savings deposits and the provision of residential mortgages. At the beginning of 1997, N.V. Bouwkas Rohyp, which has been active in the residential mortgage market since 1932, merged with the legal predecessor of ASR Bank. ASR Bank now has an established position in the Dutch residential mortgage market, with a 3% share of the overall residential mortgage market in 1999 and a total portfolio of approximately NLG 17.8 billion (of which NLG 6.8 billion was managed for third parties). In 1999 ASR Bank advanced new mortgage loans of NLG 5.5 billion, which is 33% more than in 1998.

The articles of association of ASR Bank were last amended by notarial deed on April 14th, 2000. ASR Bank has its registered office in Rotterdam and is registered in the Trade Register of Rotterdam under number 24046654. ASR Bank is subject to supervision by De Nederlandsche Bank (the Dutch central bank). ASR has declared itself to be liable for all debts resulting from the juridical acts by ASR Bank.

ASR Bank currently uses a number of funding channels to finance the mortgage origination. The funding of the mortgage business is roughly organized as follows:

- premium receipts from the company's own life insurance business;
- capital markets (including EMTN programs);
- financing arrangements with partners;
- MBS transactions.

A financing arrangement has been in place since 1984 with ABP (Algemeen Burgerlijk Pensioenfonds). ABP is the largest Dutch pension fund, and its business includes providing the pensions of Dutch civil servants. Under this financing arrangement, ASR Bank manages a mortgage portfolio of NLG 2.5 billion. Also a portfolio is managed for NIB Capital Bank (NLG 0.7 billion).

In 1994, cooperation began with Nationale Investeringsbank in the form of a number of 'off balance' financing arrangements via Rotterdam Hypotheken B.V. (totaling NLG 630 million). In 1995 the joint venture SR-Hypotheken N.V. was set up. Nationale Investeringsbank and ASR each have a 50% share in SR-Hypotheken N.V. At the end of December 1999, this portfolio was worth NLG 4.1 billion.

In 1997 the first MBS transaction (Dutch MBS 97-II) was concluded in co-operation with NIB Capital Bank N.V. This led to other MBS transactions in 1998 (Dutch MBS 98-I) and 1999 (Dutch MBS 99-III). These three portfolios, coming from the portfolio of ASR Bank and SR Hypotheken N.V., had a total value of NLG 1.5 billion at the end of December 1999. Of the total portfolio of over NLG 17.8 billion, effectively NLG 6.8 billion was financed off balance in the financing arrangements referred to above.

The servicing of these portfolios is carried out entirely by ASR Bank.

Co-operation with the aforementioned institutions has ensured that the Group's funding requirements have been well provided for over the last few years. The demand for mortgage loans is expected to continue one of the reasons being the relatively low level of home ownership in the Netherlands.

At the end of 1999, ASR Bank had total savings deposits of NLG 1.4 billion. The Bank offers a number of different savings products, such as instant access and term savings accounts and also runs statutory employee savings schemes for employers.

DESCRIPTION OF MORTGAGE LOANS

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

The Mortgage Loans are loans secured by a mortgage right, evidenced by notarial mortgage deeds ('notariële akten van hypotheekstelling') entered into by the Seller (or its legal predecessor) and the relevant Borrowers. The mortgage rights secure only the relevant Mortgage Loan (i.e. the loan granted to the Borrower to acquire the mortgaged property) or, in case of a portion of the Mortgage Loans, the mortgage rights secure not only the Mortgage Loan but also any Further Advances granted to the same Borrower (see 'Credit Mortgages' above).

The Mortgage Loans have been selected according to the criteria list set forth in the Mortgage Receivables Purchase Agreement and are selected in accordance with such agreement, on or before the Closing Date (see 'Mortgage Receivables Purchase Agreement'). All of the Mortgage Loans were originated by the Seller between 1993 and 2000. The interest rate on each Mortgage Loan has been fixed for an initial time period between approximately 10 and 20 years as of the date of the origination of the relevant Mortgage Loan.

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

The numerical information set out below relates to a provisional pool of mortgage loans (the 'Provisional Pool') which were selected on 10 April 2000. On the Closing Date a final portfolio will be selected only from those mortgage loans contained in the Provisional Pool. Therefore, the information set out below in relation to the Provisional Pool may not necessarily correspond to that of the Mortgage Loans actually sold at the Closing Date. In each table the weighted average coupon ('WAC') and the weighted average maturity ('WAM') are specified.

Mortgage Types

Life Mortgage Loans

No principal is due prior to the final maturity date of the Life Mortgage Loan or the death of the Borrower (if earlier). A Life Insurance Policy (i.e. a combined risk and capital insurance policy) with any of the Savings Mortgage Participants is connected to each Life Mortgage Loan. The premium consists, apart from a cost element, of a risk element and a capital insurance element. The capital insurance element of the premium is invested by the relevant Savings Mortgage Participant in certain investment funds ('Waerdye' Hypotheek) or in fixed income products ('City of Rotterdam Plan'). The proceeds of the Life Insurance Policy will be used to repay or partially repay the Mortgage Loan. The term of the Life Insurance Policy is generally matched with the term of the Life Mortgage Loan.

Savings Mortgage Loans ('Succes Hypotheek')

No principal is due prior to the final maturity date of the Savings Mortgage Loan or upon the death of the Borrower (if earlier). A Savings Mortgage Loan consists of a Mortgage Loan entered into by the Seller with the Borrower combined with a Savings Insurance Policy (i.e. a combined risk and capital insurance policy) with any of the Savings Mortgage Participants. The premium consists, apart from a cost element, of a risk element and a saving element. The saving element is calculated in such manner that the proceeds of the Savings Insurance Policy are equal to the amount due by the Borrower to the Seller at maturity of the Savings Mortgage Loan.

Interest Only Mortgage Loans ('Aflossingsvrije Hypotheek')

The Mortgage Loan should be repaid at maturity or at an earlier death of a Borrower. This Mortgage Loan will only be granted in combination with Life Mortgage Loans and Savings Mortgage Loans.

ASR Bank's clients often have different types of mortgage loans secured by one mortgage deed.

Provisional Pool Characteristics

A summary of key characteristics of the Mortgage Loans is set out in Table A:

TABLE A
Summary Pool Information

Summary Pool Information	
Outstanding Principal Balance (EUR)	371,863,324
Average Balance by Borrower (EUR)	119,956
Maximum Loan Value (EUR)	703,359
Number of Loans	3,270
Number of Borrowers	3,100
Weighted Average Seasoning (months)	12.88
Weighted Average Maturity (months)	316.36
Weighted Average LTV (based on indexed foreclosure value and loan balance as per 10 April 2000*)	88.26%

(*) Foreclosure values revalued to 1999 Median Prices for appraisals made prior to 1999.

Loan-to-Value

The distribution of Mortgage Loans in the Provisional Pool (both by Outstanding Principal Balance and number of Mortgage Loans) by reference to their current loan-to-value is set out in Table B. The weighted average loan-to-value is 88.26%. The loan-to-value is based on the indexed foreclosure value and outstandings per 10 April 2000.

TABLE B
Loan-to-Value Ratio

Range of Loan-to-Value	Number of Loans	Aggregate Outstanding Principal Amount (EUR)	Proportion of Pool (%)	WAM (months)	WAC (%)
40.0% ≤ LTV < 50.0%	266	18,203,474	4.9%	290	5.45%
50.0% ≤ LTV < 60.0%	449	39,190,878	10.5%	289	5.32%
60.0% ≤ LTV < 70.0%	366	34,185,918	9.2%	301	5.42%
70.0% ≤ LTV < 80.0%	363	39,162,582	10.5%	309	5.45%
80.0% ≤ LTV < 90.0%	363	47,648,209	12.8%	315	5.39%
90.0% ≤ LTV < 95.0%	245	30,760,196	8.3%	320	5.50%
95.0% ≤ LTV < 100.0%	282	35,342,214	9.5%	322	5.56%
100.0% ≤ LTV < 105.0%	222	29,946,389	8.1%	325	5.45%
105.0% ≤ LTV < 110.0%	216	27,660,634	7.4%	329	5.46%
110.0% ≤ LTV < 115.0%	144	19,180,023	5.2%	335	5.49%
115.0% ≤ LTV < 120.0%	129	18,589,083	5.0%	328	5.57%
120.0% ≤ LTV ≤ 125.0%	225	31,993,725	8.6%	344	5.64%
Total	3,270	371,863,324	100.0%	316	5.47%

Origination Date

The distribution of Mortgage Loans in the Provisional Pool (both by Outstanding Principal Balance and number of Mortgage Loans) by reference to their dates of origination is set out in Table C:

TABLE C
Maturity

Year of Origination	Number of Loans	Aggregate Outstanding Principal Amount (EUR)	Proportion of Pool (%)	WAM (months)	WAC (%)
1993	1	167,899	0.0%	217	6.50%
1994	5	414,586	0.1%	290	5.53%
1995	2	389,570	0.1%	214	5.47%
1996	24	2,356,276	0.6%	283	5.62%
1997	261	30,442,014	8.2%	302	5.89%
1998	789	95,301,308	25.6%	315	5.38%
1999	1,836	201,351,124	54.1%	317	5.35%
2000	352	41,440,546	11.1%	329	5.90%
Total	3,270	371,863,324	100.0%	316	5.47%

The distribution of Mortgage Loans in the Provisional Pool (both by Outstanding Principal Balance and number of Mortgage Loans) by reference to maturity is set out in Table D:

TABLE D
Maturity of the Mortgage Loans in the Provisional Pool

Range of Years	Number of Loans	Aggregate Outstanding Principal Amount (EUR)	Proportion of Pool (%)	WAM (months)	WAC (%)
2005 <= Maturity < 2010	14	1,978,482	0.5%	105	4.96%
2010 <= Maturity < 2015	85	8,606,070	2.3%	156	5.36%
2015 <= Maturity < 2020	303	31,998,891	8.6%	218	5.39%
2020 <= Maturity < 2025	531	56,975,308	15.3%	275	5.46%
2025 <= Maturity <= 2030	2,337	272,304,572	73.2%	343	5.48%
Total	3,270	371,863,324	100.0%	316	5.47%

Mortgage Type

The distribution of Mortgage Loans in the Provisional Pool (both by Outstanding Principal Balance and number of Mortgage Loans) by reference to type of mortgage is set out in Table E:

TABLE E
Type of Mortgage Loans in the Provisional Pool

Type of Mortgage	Number of Loans	Aggregate Outstanding Principal Amount (EUR)	Proportion of Pool (%)	WAM (months)	WAC (%)
Life	2,547	295,456,083	79.5%	316	5.40%
Savings	723	76,407,241	20.5%	319	5.70%
Total	3,270	371,863,324	100.0%	316	5.47%

Interest Rates

The distribution of Mortgage Loans in the Provisional Pool (both by Outstanding Principal Balance and number of Mortgage Loans) by reference to range of interest rates is set out in Table F:

TABLE F
Interest Rates Applicable to the Mortgage Loans in the Provisional Pool

Range of Interest Rates	Number of Loans	Aggregate Outstanding Principal Amount (EUR)	Proportion of Pool (%)	WAM (months)	WAC (%)
4.0% $\leq r < 5.0\%$	564	65,542,018	17.6%	309	4.80%
5.0% $\leq r < 6.0\%$	2,158	243,559,548	65.5%	317	5.43%
6.0% $\leq r < 7.0\%$	533	61,206,810	16.5%	324	6.29%
7.0% $\leq r \leq 8.0\%$	15	1,554,948	0.4%	306	7.30%
Total	3,270	371,863,324	100.0%	316	5.47%

Interest Reset Dates

The distribution of Mortgage Loans in the Provisional Pool (both by Outstanding Principal Balance and number of Mortgage Loans) by reference to their interest reset dates is set out in Table G. At the reset date the borrower chooses the next interest rate period after which the new interest rate will be set.

TABLE G
Interest Rates Reset Dates Applicable to Mortgage Loans in the Provisional Pool

Range of Years	Number of Loans	Aggregate Outstanding Principal Amount (EUR)	Proportion of Pool (%)	WAM (months)	WAC (%)
2008	332	39,586,778	10.6%	309	5.40%
2009	1,071	121,272,466	32.6%	322	5.16%
2010	361	42,881,818	11.5%	330	5.91%
2011	15	1,540,834	0.4%	224	5.55%
2012	39	4,384,048	1.2%	293	6.29%
2013	130	16,264,013	4.4%	306	5.57%
2014	292	30,939,116	8.3%	297	5.49%
2015	63	6,901,044	1.9%	317	5.98%
2016	1	233,697	0.1%	200	5.65%
2017	59	7,459,615	2.0%	288	6.46%
2018	190	21,896,255	5.9%	313	5.57%
2019	672	73,134,713	19.7%	321	5.46%
2020	45	5,368,928	1.4%	319	5.78%
Total	3,270	371,863,324	100.0%	316	5.47%

Geographical Distribution

The geographical distribution of Mortgage Loans in the Provisional Pool (both by Outstanding Principal Balance and number of Mortgage Loans) by reference to their regions is set out in Table I.

TABLE I
Geographical Distribution of the Mortgage Loans in the Provisional Pool

Region	Number of Loans	Aggregate Outstanding Principal Amount (EUR)	Proportion of Pool (%)	WAM (months)	WAC (%)
Drenthe	37	3,643,201	1.0%	330	5.50%
Flevoland	81	8,677,982	2.3%	319	5.47%
Friesland	61	6,140,583	1.7%	307	5.32%
Gelderland	275	32,291,432	8.7%	318	5.50%
Groningen	48	4,500,271	1.2%	319	5.65%
Limburg	146	15,988,667	4.3%	317	5.51%
Noord Brabant	491	56,986,405	15.3%	307	5.47%
Noord Holland	499	62,003,013	16.7%	321	5.46%
Overijssel	107	11,548,125	3.1%	319	5.40%
Utrecht	190	24,967,703	6.7%	306	5.37%
Zuid Holland	1,248	136,779,713	36.8%	319	5.47%
Zeeland	87	8,336,229	2.2%	320	5.57%
Total	3,270	371,863,324	100.0%	316	5.47%

Sizes

The distribution of Mortgage Loans in the Provisional Pool (both by Outstanding Principal Balance and number of Mortgage Loans) by reference to their sizes is set out in Tables H1 and H2.

TABLE H1
Size of outstanding Mortgage Loans in the Provisional Pool (On a Loan Basis)

Range of Loans Sizes (EUR x 1,000)	Number of Loans	Aggregate Outstanding Principal Amount (EUR)	Proportion of Pool (%)	WAM (months)	WAC (%)
Loan Size < 50	273	9,307,900	2.5%	290	5.56%
50 ≤ Loan Size < 100	1,275	99,343,189	26.7%	312	5.46%
100 ≤ Loan Size < 150	1,081	132,628,189	35.7%	324	5.49%
150 ≤ Loan Size < 200	424	72,670,932	19.5%	323	5.47%
200 ≤ Loan Size < 250	128	28,286,662	7.6%	304	5.37%
250 ≤ Loan Size < 300	39	10,589,259	2.8%	299	5.49%
300 ≤ Loan Size < 350	24	7,881,273	2.1%	304	5.37%
350 ≤ Loan Size < 400	15	5,603,920	1.5%	294	5.24%
400 ≤ Loan Size < 450	3	1,241,089	0.3%	292	5.55%
450 ≤ Loan Size < 500	3	1,404,450	0.4%	338	5.82%
500 ≤ Loan Size ≤ 750	5	2,906,462	0.8%	280	5.47%
Total	3,270	371,863,324	100.0%	316	5.47%

TABLE H2
Size of outstanding Mortgage Loans in the Provisional Pool (On a Borrower Basis)

Range of Loans Sizes (EUR x 1,000)	Number of Loans	Aggregate Outstanding Principal Amount (EUR)	Proportion of Pool (%)	WAM (months)	WAC (%)
Loan Size < 50	137	5,778,329	1.6%	278	5.51%
50 ≤ Loan Size < 100	1,192	93,225,344	25.1%	312	5.46%
100 ≤ Loan Size < 150	1,102	135,520,262	36.4%	324	5.49%
150 ≤ Loan Size < 200	435	74,715,635	20.1%	324	5.47%
200 ≤ Loan Size < 250	135	29,874,546	8.0%	306	5.37%
250 ≤ Loan Size < 300	45	12,123,707	3.3%	296	5.48%
300 ≤ Loan Size < 350	26	8,523,826	2.3%	306	5.36%
350 ≤ Loan Size < 400	16	5,980,557	1.6%	288	5.26%
400 ≤ Loan Size < 450	2	832,687	0.2%	280	5.55%
450 ≤ Loan Size < 500	5	2,381,967	0.6%	314	5.67%
500 ≤ Loan Size ≤ 750	5	2,906,462	0.8%	280	5.47%
Total	3,100	371,863,324	100.0%	316	5.47%

MORTGAGE LOAN UNDERWRITING AND SERVICING

ORIGINATION

Introduction

The mortgage loans involved are originated by ASR Bank (or its legal predecessor), which is supervised by the Dutch Central Bank. Mortgages are distributed through the channel of independent broker agents. New mortgage loans are accepted on the basis of a fixed underwriting protocol. The principal items in the underwriting protocol are:

a) *Housing ratio*

The maximum amount of the mortgage loan which will be granted is initially determined by the housing ratio. The housing ratio reflects the maximum percentage of income that can be committed to paying the interest and repayments on the mortgage loan. Mortgage loans are granted in standard cases up to a maximum of NLG 750,000 (EUR 340,000). Higher amounts are only possible with approval of senior management. In determining the housing ratio, a distinction is made between single and dual income households. In the case of single income households, the ratio is higher than the combined ratios of dual income households. The policy on dual income households assumes that the second income will diminish over time. Allowance is made for this from the start by setting a lower housing ratio.

b) *Income*

On average 93% of mortgage borrowers of ASR Bank receive income from paid employment. In the case of 7% of the applications, the income is generated from self-employed activity. The income components are stipulated in the protocol. A check on the income is conducted by requesting a recent employer's declaration. Self-employed persons have to submit full annual accounts (including auditor's report of stamp) for the business over the past three years. A director/majority shareholder is regarded as self-employed.

c) *National Credit Register (BKR)*

A check is done on every mortgage borrower with the National Credit Register ('Bureau Krediet Registratie') in Tiel. All financial commitments over the past five years which mortgage borrowers have entered into with financial institutions are recorded here.

d) *Collateral*

All collateral offered in the form of existing buildings is valued by an independent valuer not involved in the transaction. For this purpose, a broker is used who is a member of the Nederlandse Vereniging van Makelaars (NVM) (Dutch Association of Real Estate Brokers) or the Landelijke Makelaars Vereniging (LMV) (National Real Estate Brokers' Association). On the Dutch market, it is common for new property to be valued at the design and specification stage. Mortgage loans are granted up to 130% of the foreclosure value (only mortgages up to 125% of the indexed foreclosure value are included in the Provisional Pool). The foreclosure value equals approximately 85% of the appraisal value. A standard interest rate is charged for mortgages with NHG or a maximum size of 60% of the foreclosure value. For mortgage loans higher than 60% of the foreclosure value an extra interest spread is charged to the client. The extra interest spread is calculated on the total mortgage balance.

e) *Other underwriting conditions*

Apart from the principal underwriting factors already mentioned, the following rules apply: (i) mortgage loans are granted only to individuals, (ii) joint and several liability for the mortgage receivable (all owners are joint and several debtors) and (iii) mortgage loans are granted on the borrower's own home only (no renting).

Mortgage Analysis Program

The mortgage calculations are done by computer. For this purpose, every underwriter uses the Mortgage Analysis Program (HAP). Broker agents can communicate with the origination department through the Mortgage Data Network (HDN). The HAP carries out the check for the NHG and the maximum mortgage. It also calculates the forecast value of the life insurance policy which forms part of the collateral. Furthermore in HAP the proposals are produced. Periodically, an internal audit checks whether the mortgage loans granted do conform to the set underwriting protocol. Mortgages exceeding NLG 750,000 (EUR 340,000) and mortgages where the housing ratio is up to 2% more than the maximum number according to the guidelines have to be approved by senior management. Mortgages exceeding NLG 1,000,000

(EUR 450,000) or other deviations from the guidelines, have to be approved by the credit committee of the Seller.

SERVICING

Introduction

ASR Bank's mortgage activities form part of the Mortgage and Finance divisions. The Mortgage division comprises all commercial activities leading to the grant of mortgage loans and the technical administrative control of the portfolio. Activities carried out by the Finance division and relating to mortgages consist of the collection of interest payments, standard accounting routines and initiation of the procedure for managing arrears. The responsible officials have an average of 15 years' experience in the mortgage business.

A daily back-up is made of the mainframe systems. The networks and individual personal computers are provided with a back-up by the same method. The back-ups are stored in a fire/burglar-proof safe at the Utrecht branch. An agreement has been entered into with the Computer Uitwijk Centrum (Computer Back-up Centre) in Delft for any disasters concerning the computer. The procedure for this is tested each year. In the case of externally developed software (HAP), the sources are available and stored. When the Seller was computerised, a service level agreement (SLA) was concluded which has been approved by the Dutch Central Bank.

Collections

The portfolio administrative control is divided into collection procedure, administration, administrative control of arrears, technical administrative control, interest rate reviews and file creation. Mortgage interest is actually collected by direct debit from 90% of all mortgage borrowers. In respect of the Mortgage Loans interest is collected by direct debit account in 99% of all mortgage loans. Each month the mainframe automatically calculates the amount of interest due. On the first business day of each month the interest amounts are collected in advance. In the case of Borrowers whose balance was insufficient, the direct debit procedure is repeated around the 15th of the month. When the direct debit still fails a giro collection form is issued. Borrowers who do not use a direct debit will receive a giro collection form. The interest received is recorded in the mortgage borrower's ledger account. From there on, all payments per borrower are automatically recorded under each operating entity, the key to the system being the combination of the company code and the mortgage number.

Arrears management

If borrowers fail to meet their payment obligations within 30 days following the due date, the arrears administrative control procedure applies. The arrears administrative control procedure is as follows:

- if, 30 days after the due date, the money has not been received, the first reminder is sent out. This letter is accompanied by a giro collection form and is issued automatically by the system.
- if, 60 days after the due date, no money has been received, a second reminder is sent out. This letter is accompanied by a giro collection form and is issued automatically by the system.
- after 90 days guarantors, if any, are informed that payment has not been received. The Dutch local authorities who have issued a municipal guarantee form the largest group of guarantors. In the case of the national mortgage guarantee, this letter is sent after 150 days.
- if no payment has been received 90 days after the due date, a warning is sent by registered letter, that if payment is still not made the whole loan may be recalled. The period allowed for payment is fifteen days.
- if at the end of this period payment has still not been made, the borrowers are contacted by telephone.
- if, 120 days after the due date, nothing has been received (see explanatory notes below) and no suitable solution has been found, the loan will be finally recalled.

During the period in which the arrears on payments have occurred, an effort is always made to find an acceptable solution to the arrears for both the borrowers and the company.

Default management

In the case of failure to comply with agreed payment schemes, or if it is evident that there is no prospect of the interest and/or premium arrears being paid in the near future, the file is handed over to the technical administrative control department as per year end 1999. Out of a total of 86.642 mortgages 212 files are currently handled by this specialised department. The technical administrative control department deals with the specialised handling of these files. Public sale is arranged only if there is no prospect of any solution. Apart from public sale as a result of arrears of payment on mortgages, such sale may also result from attachment or bankruptcy of the borrowers. In the case of attachment or bankruptcy the auction is ordered immediately.

ASR Bank plays an active role in the public auction process and actually bids on the property if necessary, regardless of whether the auction concerns the portfolio of ASR Bank or one of the financing arrangements. In principle, bids are made up to the foreclosure sale value of the property, with the provision that bids never exceed the amount of the total debt. As servicer under this securitisation transaction ASR Bank will follow the procedures as described above.

If a residual debt remains after the auction or private sale, the borrowers are liable for that residue. In principle, a new payment scheme is arranged for the residual debt. If the borrowers do not wish to agree to any payment scheme, an external collection agency is brought in to see whether the claim can be collected.

MORTGAGE RECEIVABLES PURCHASE AGREEMENT

Under the Mortgage Receivables Purchase Agreement the Issuer will, on the Closing Date, purchase and accept from the Seller the assignment of the Mortgage Receivables. The assignment of the Mortgage Receivables from the Seller to the Issuer will not be notified to the Borrowers, except in special events as further described hereunder ('Notification Events'). The Issuer will be entitled to all proceeds in respect of the Mortgage Receivables following such assignment as of the Closing Date.

Purchase Price

The purchase price for the Mortgage Receivables shall consist of an initial purchase price (the 'Initial Purchase Price') which shall be payable on the Closing Date, and a deferred purchase price (the 'Deferred Purchase Price'). The Deferred Purchase Price shall be equal to the sum of all Deferred Purchase Price Instalments and each Deferred Purchase Price Instalment will be equal to the positive difference, if any, between the Notes Interest Available Amount as calculated on each Calculation Date and the sum of all amounts payable by the Issuer as set forth in the Interest Priority of Payments under (a) up to and including (o) (see 'Credit Structure' above) on such date.

Representations and warranties

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

- (a) the Seller has full right and title to the Mortgage Receivables and power to assign the Mortgage Receivables and no restrictions on the sale and transfer of the Mortgage Receivables are in effect;
- (b) the Mortgage Receivables are free and clear of any encumbrances and attachments and no option rights have been granted in favour of any third party with regard to the Mortgage Receivables
- (c) each Mortgage Receivable is secured by a mortgage right on a residential property in the Netherlands and is governed by Netherlands law;
- (d) upon creation of each mortgage right securing the Mortgage Loans, the Seller was granted power by the mortgage deed to unilaterally terminate such mortgage right, and such power to terminate has not been revoked, terminated or amended;
- (e) each residential property concerned was valued when application for a Mortgage Loan was made by an independent qualified valuer or surveyor except that in case of Mortgage Loans of which the principal sum outstanding does not exceed 50% of the purchase price of the residential property and Mortgage Loans secured by newly built properties with a value less than NLG 750,000 no valuation is required; valuations are not older than 6 months prior to the date of mortgage application by the Borrower;
- (f) each Mortgage Receivable and the mortgage right and the right of pledge, if any, securing such receivable constitutes legal, valid, binding and enforceable obligations of the relevant Borrower;
- (g) all mortgage rights and rights of pledge granted to secure the Mortgage Receivables
 - (i) constitute valid mortgage rights ('hypotheekrechten') and rights of pledge ('pandrechten') respectively on the assets which are the subject of the mortgage rights and rights of pledge and, to the extent relating to the mortgage rights, entered into the appropriate public register, (ii) have first priority or first and second priority and (iii) were vested for a principal sum which is at least equal to the principal sum of the Mortgage Loan when originated, increased with interest, penalties, costs and any insurance premium paid by the Seller on behalf of the Borrower, together up to an amount equal to 155 per cent., of the outstanding principal amount;
- (h) each of the Mortgage Loans will have been granted in accordance with all applicable legal requirements and the Seller's standard underwriting criteria and procedures.

Repurchase

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

incurred by the Issuer in effecting and completing such purchase and assignment) accrued up to but excluding the date of purchase and assignment of the Mortgage Receivable.

Mortgage Loans Criteria

Each of the Mortgage Loans will meet, the following criteria:

- (a) the Mortgage Loans are either:
 - a. Life Mortgage Loans ('levenhypotheek');
 - b. Savings Mortgage Loans ('spaarhypotheek');
 - c. Mortgage Loans which combine any of the above mentioned mortgages with interest-only mortgages ('aflossingsvrije hypotheek');
- (b) the Borrower is a resident of the Netherlands and not an employee of the Seller or any of its group companies;
- (c) the mortgaged property is not the subject of residential letting at the time of origination;
- (d) each mortgage right securing a Mortgage Loan has been created after 1 January 1992;
- (e) the interest rate of each Mortgage Loan is fixed, subject to an interest reset from time to time, whereby the first interest reset date falls after 1 January 2008;
- (f) the Mortgage Loans are not guaranteed by municipalities or 'Nationale Hypotheek Garantie';
- (g) interest payments are scheduled to be made monthly in advance;
- (h) the Outstanding Principal Amount of each Mortgage Loan, or of Mortgage Loans secured on the same mortgaged property together does not exceed 125% of the indexed foreclosure value of the mortgaged property;
- (i) each Mortgage Loan, or all Mortgage Loans secured on the same mortgaged property, has an Outstanding Principal Amount of not more than NLG 1,550,000;
- (j) each Mortgage Loan is secured by a first-ranking mortgage right, or in case of Mortgage Loans secured on the same mortgaged property, first and second-ranking mortgage rights;
- (k) no Mortgage Loan will have a legal maturity beyond 30 years from the Closing Date;
- (l) at the Closing Date no amounts due under any of the Mortgage Receivables are unpaid;
- (m) all Mortgage Loans are fully disbursed (no 'bouwhypotheek'); and
- (n) the mortgaged property is located in the Netherlands.

Notification Events

If, inter alia:

- (a) a default is made by the Seller in the payment on the due date of any amount due and payable by it under the Mortgage Receivables Purchase Agreement or under any Relevant Document to which it is a party and such failure is not remedied within 10 business days after notice thereof has been given by the Issuer or the Security Trustee to the Seller; or
- (b) the Seller fails duly to perform or comply with any of its obligations under the Mortgage Receivables Purchase Agreement or under any Relevant Document to which it is a party or any other party (except the Issuer and the Security Trustee) does not comply with any of the obligations under any Relevant Document to which it is a party and, if such failure is capable of being remedied, such failure is not remedied within 10 business days after notice thereof has been given by the Company or the Security Trustee to the Seller; or
- (c) the Seller takes any corporate action or other steps are taken or legal proceedings are started or threatened against it for its dissolution ('ontbinding') and liquidation ('vereffening') or legal demerger ('juridische splitsing'); or
- (d) the Seller has taken any corporate action or any steps have been taken or legal proceedings have been instituted or threatened against it for its entering into emergency regulations ('Noodregeling') as referred to in Chapter X of the Netherlands Act on the Supervision of the Credit System 1992 ('Wtk') or for bankruptcy or for the appointment of a receiver or a similar officer of it or of any or all of its assets; or
- (e) the Seller during a period of any two consecutive months fails to have a solvency ratio equal to or greater than the percentage required by clause 4001 of the Guidelines issued pursuant to the Wtk as set out in the Netherlands Central Bank's Credit System Supervision Manual ('Handboek Wtk') or pursuant to Clause 4101 of the Handboek Wtk the actual liquidity is not greater or equal to the required liquidity under the broad liquidity test, as defined in such Clause 4101 of the Handboek Wtk; or
- (f) the Dutch Central Bank has restricted the Seller's powers in accordance with Clause 28.3(a) of the Wtk or has made an official announcement as referred to in

Clause 28.3(b) of the Wtk and within two weeks after any such events the Seller has taken the necessary steps resulting in such measures being withdrawn.

then the Seller shall, unless the Security Trustee, after having received confirmation from Moody's and Fitch that no downgrading of the Notes will occur as a result of not giving notice as described below, instructs them otherwise forthwith notify the Borrowers and any other relevant parties indicated by the Issuer and/or the Security Trustee of (i) the termination of the mortgage rights securing the Mortgage Receivables in as far as they secure other debts than the Mortgage Receivables assigned to the Issuer and any Further Advances granted by the Seller and (ii) the assignment of the Mortgage Receivables or, at its option, the Issuer shall be entitled to make such notifications itself.

SERVICING AGREEMENT

Services

In the Servicing Agreement the Pool Servicer will agree (i) to provide administration and management services to the Issuer on a day-to-day basis in relation to the Mortgage Loans and the Mortgage Receivables, including, without limitation, the collection of payments of principal, interest and other amounts in respect of the Mortgage Receivables and the implementation of arrears procedures including the enforcement of mortgage rights (see further 'Mortgage Loan Underwriting and Servicing' above) and (ii) the Company Administrator will agree to provide certain administration, calculation and cash management services to the Issuer, including (a) the direction of amounts received by the Seller to the Floating Rate GIC Account and the production of [monthly] reports in relation thereto, (b) drawings (if any) to be made by the Issuer from the Reserve Account, (c) all payments to be made by the Issuer under the 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.

The Pool Servicer will be obliged to administer the Mortgage Loans and the Mortgage Receivables at the same level of skill, care and diligence as mortgage loans in its own or, as the case may be, the Seller's portfolio.

Repurchase of Mortgage Receivables

The Pool Servicer shall cause the Seller to repurchase and accept re-assignment of a Mortgage Receivable in the same manner and on the same terms as set out in the Mortgage Receivables Purchase Agreement as if there were a breach of the warranties set forth therein, if at any time the Seller agrees with a Borrower to amend the terms of the relevant Mortgage Loan and as a result thereof such Mortgage Loan or, as the case may be, Mortgage Receivable no longer meets the criteria set forth in the Mortgage Receivables Purchase Agreement (see 'Mortgage Receivables Purchase Agreement' above).

SAVINGS MORTGAGE SUB-PARTICIPATION AGREEMENT

Under the Savings Mortgage Sub-Participation Agreement the Issuer will grant to each of the Savings Mortgage Participants a sub-participation in the relevant Savings Mortgage Receivables.

Savings Mortgage Participation

In the Savings Mortgage Sub-Participation Agreement each of the Savings Mortgage Participants will undertake to pay to the Issuer:

- (i) at the Closing Date the sum of the amounts due up to such date by the relevant Borrowers to the Savings Mortgage Participants as Savings Premium and accrued interest thereon (the 'Initial Savings Mortgage Participation');
- (ii) on each Mortgage Payment Date an amount equal to the amount scheduled to be received by the relevant Savings Mortgage Participant as Savings Premium during the Mortgage Calculation Period then ended in respect of the relevant Savings Mortgage Insurance Policies.

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

$$\frac{(P + S)}{H} \times R + S, \text{ whereby}$$

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

S = the amount of the Savings Premium scheduled to be received in the Mortgage Calculation Period in respect of the relevant Savings Mortgage Receivable and paid to the Issuer by the relevant Savings Mortgage Participant;

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

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

In consideration for the undertaking of the Savings Mortgage Participants described above, the Issuer will undertake to pay to each Savings Mortgage Participant on each Mortgage Payment Date an amount equal to the Savings Mortgage Participation in each of the Savings Mortgage Receivables in respect of which amounts have been received during the relevant Mortgage Calculation Period (i) by means of repayment and prepayment under the relevant Mortgage Receivables from any person, whether by set-off or otherwise, but, for the avoidance of doubt, excluding prepayment penalties, if any, and, furthermore, excluding amounts paid as partial prepayments on the Savings Mortgage Receivables, (ii) in connection with a repurchase of Savings Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal, (iii) in connection with a sale of Savings Mortgage Receivables pursuant to the Trust Deed to the extent such amounts relate to principal and (iv) as Net Proceeds on any Savings Mortgage Receivable to the extent such amounts relate to principal (the 'Savings Mortgage Participation Redemption Available Amount').

Reduction of Savings Mortgage Participation

If:

- (i) a Borrower invokes a right of set-off or a defence against any person in respect of the Savings Mortgage Receivables based upon a default in the performance, whether in

whole or in part and for any reason, by the Savings Mortgage Participant of its obligations under the relevant Savings Mortgage Insurance Policy; or

- (ii) the Seller fails to pay any amount due by it to the Issuer in accordance with the Mortgage Receivables Purchase Agreement in respect of a Savings Mortgage Receivable;

and, as a consequence thereof, the Issuer will not have received any amount outstanding prior to such event in respect of such Savings Mortgage Receivable, the Savings Mortgage Participation of the relevant Savings Mortgage Participant in respect of such Relevant Savings Mortgage Receivable will be reduced by an amount equal to the amount which the Issuer has failed to so receive and the calculation of the Savings Mortgage Participation Redemption Available Amount shall be adjusted accordingly.

Enforcement Notice

If an Enforcement Notice (as defined in Clause 10 of the Conditions) is given by the Security Trustee to the Issuer, then and at any time thereafter the Security Trustee on behalf of the Savings Mortgage Participants may, and is so directed by the Savings Mortgage Participants shall, by notice to the Issuer:

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

Termination

If one or more of the Savings Mortgage Receivables are (i) repurchased by the Seller from the Issuer pursuant to the Mortgage Receivables Purchase Agreement or (ii) sold by the Company to a third party pursuant to the Trust Deed, the Savings Mortgage Participation in such Savings Mortgage Receivables will terminate and the Savings Mortgage Participation Redemption Available Amount in respect of the Savings Mortgage Receivables will be paid by the Issuer to the relevant Savings Mortgage Participants. If so requested by the relevant Savings Mortgage Participants, the Issuer will undertake its best efforts to ensure that the acquiror of the Savings Mortgage Receivables will enter into a Savings Mortgage Sub-Participation Agreement with the Savings Mortgage Participants in a form similar to the Savings Mortgage Sub-Participation Agreement. Furthermore, the Savings Mortgage Participation envisaged in the Savings Mortgage Sub-Participation Agreement shall terminate if at the close of business of any Mortgage Calculation Date each of the Savings Mortgage Participants has received the Savings Mortgage Participation in respect of the Savings Mortgage Receivables.

DELPHINUS 2000-I B.V.

The Issuer was incorporated with limited liability under the laws of the Netherlands on 16 June 2000 under number B.V. 1118214. The registered office of the Issuer is in Amsterdam, the Netherlands.

The objectives of the Issuer are (a) to acquire, purchase, conduct the management of, dispose of and encumber assets and to exercise any rights connected to such assets, (b) to take up loans by way of issue 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 Issuer, (d) to hedge interest rate and other financial risks amongst others by entering into derivative agreements, such as swaps and options, (e) if incidental to the foregoing, to take up loans by issuing securities or by entering into loan agreements amongst others 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 Issuer has an authorised share capital of euro 100,000, of which euro 20,000 has been issued and is fully paid. All shares of the Issuer are held by Stichting Delphinus.

Stichting Delphinus is a foundation ('stichting') incorporated under the laws of the Netherlands on 16 June 2000. The objects of Stichting Delphinus are, inter alia, to incorporate, acquire and to hold shares in the share capital of the Issuer and to exercise all rights attached to such shares and to dispose of and encumber such shares. The sole managing director of Stichting Delphinus is ATC Trustees (Netherlands) B.V..

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

The sole managing director of the Issuer is ATC Management B.V.

The managing director of ATC Management B.V. is O.B. Linker.

The financial year if the Issuer coincides with the calendar year. The first financial year shall end on 31 December 2000.

Capitalisation

The following table shows the capitalisation of the Issuer as of 16 June 2000 as adjusted to give effect to the issue of the Notes:

Share Capital

Authorised Share Capital	euro	100,000
Issued Share Capital	euro	20,000

Borrowings

Senior Class A Notes	euro	337,500,000
Mezzanine Class B Notes	euro	15,000,000
Junior Class C Notes	euro	7,500,000
Subordinated Loan	euro	4,500,000

Auditors' Report

The following is the text of a report received by the Board of Managing Directors of the Issuer from Ernst & Young Accountants, the auditors to the Issuer:

'To the Directors of
Delphinus 2000-I B.V.

Amsterdam, 23 June 2000

Dear Sirs:

Delphinus 2000-I B.V. (the 'Company') was incorporated on 16 June 2000 under number B.V. 1118214 with an issued share capital of euro 20,000. The Company has not yet prepared any financial statements. Since its incorporation, the Company has not traded, no profits and losses have been made or incurred and it has not declared or paid any dividends nor made any distributions, save for the activities related to its establishment and the securitisation transaction included in the Offering Circular dated 23 June 2000.

Yours faithfully,
Ernst & Young Accountants'

USE OF PROCEEDS

The net proceeds of the issue of the Notes will be applied on the Closing Date to pay (part of) the Initial Purchase Price for the Mortgage Receivables purchased under the Mortgage Receivables Purchase Agreement.

The net proceeds of the Notes to be issued on the Closing Date amount to euro 358,796,625.

DESCRIPTION OF SECURITY

The Notes will be secured by the Deed of Surety to be entered into by the Security Trustee with (i) the Managers as initial Noteholders, (ii) the Directors, (iii) the Company Administrator, (iv) the Pool Servicer (v) the Paying Agents, (vi) the Reference Agent, (vii) the Liquidity Facility Provider, (viii) the Replacement Liquidity Facility Provider (ix) the Swap Counterparty, (x) the Subordinated Loan Provider, (xi) the Seller and (xii) the Savings Mortgage Participants (the 'Secured Parties'). The Security Trustee will agree in the Deed of Surety to grant a surety ('borgtocht') to the Secured Parties and will undertake to pay, as surety, after the date on which an Enforcement Notice has been received (see Condition 10 below) from time to time as soon as reasonably possible and practicable, to the Secured Parties, other than the Savings Mortgage Participants an amount corresponding to the sum of any amounts due and payable by the Issuer

- (a) to the Noteholders under the Notes;
- (b) as fees or other remuneration to the Directors under the Management Agreements;
- (c) as fees and expenses to the Company Administrator under the Servicing Agreement;
- (d) as fees and expenses to the Pool Servicer under the Servicing Agreement;
- (e) as fees and expenses to the Paying Agents and the Reference Agent under the Paying Agency Agreement;
- (f) to the Liquidity Facility Provider or, as the case may be, the Replacement Liquidity Facility Provider under the Liquidity Facility Agreement;
- (g) to the Swap Counterparty under the Swap Agreement;
- (h) to the Subordinated Loan Provider under the Subordinated Loan Agreement;
- (i) to the Seller under the Mortgage Receivables Purchase Agreement;

provided that such amount shall never exceed the Notes Surety Available Amount which consists of the sum of (a) amounts recovered ('verhaald') by it on the Mortgage Receivables and the other assets pledged under the Trustee Pledge Agreement I and the Trustee Pledge Agreement II, other than the Savings Mortgage Receivables, (b) on Savings Mortgage Receivables to the extent the amount exceeds the Savings Mortgage Participation in the relevant Savings Mortgage Receivables; (c) amounts received in connection with the penalty provided in the Mortgage Receivables Purchase Agreement insofar such penalty relates to (i) Mortgage Receivables and the other assets pledged under the Trustee Pledge Agreement I and the Trustee Pledge Agreement II, other than Savings Mortgage Receivables and (ii) with respect to Savings Mortgage Receivables, the pro rata part of such Savings Mortgage Receivables in relation to the Savings Mortgage Participation and (d) the amount of any advance having been made available to the Security Trustee under a recourse liquidity facility agreement to the extent the amount so made available will be recovered under (a) or (b) above and will not exceed the amount of such advance. Any amounts will be paid to the Secured Parties in accordance with and subject to the Priority of Payments upon Enforcement (see 'Credit Structure' above).

In addition, in the Deed of Surety the Security Trustee undertakes to pay to the Savings Mortgage Participants the Savings Mortgage Participation Surety Available Amount which consists of, inter alia, (i) the amounts actually recovered ('verhaald') by it on the Savings Mortgage Receivables, but only to the extent such amounts do not exceed the Savings Mortgage Participation in such Savings Mortgage receivables, under any of the Pledge Agreements (as described below), (ii) amounts received in connection with the penalty provided in the Mortgage Receivables Purchase Agreement provided that such amounts relate to the Savings Mortgage Participation in the Savings Mortgage Receivables, and (iii) the amount of any advance having been made available to the Security Trustee under a recourse liquidity facility agreement to the extent the amount so made available will be recovered under (i) above, provided that such amounts shall never exceed the amount due and payable by the Issuer under or in connection with the Savings Mortgage Sub-Participation Agreement to the Savings Mortgage Participants.

The Seller shall grant a first ranking right of pledge ('pandrecht') (the 'Trustee Pledge Agreement I') over the Mortgage Receivables and the Beneficiary Rights (see further 'Insurance Policies' above) to the Security Trustee on the Closing Date. Security in respect of the Mortgage Receivables will be given by the Seller since it will have the legal title to the Mortgage Receivables, until notification has been made. After notification to the Borrowers of the assignment by the Seller to the Issuer of the Mortgage Receivables (which will only be made

upon the occurrence of Notification Events, see ‘Mortgage Receivables Purchase Agreement’ above), legal title to the Mortgage Receivables will pass to the Issuer and the Trustee Pledge Agreement I will provide that the Issuer (who shall be a party to such pledge agreement) will be bound by the provisions thereof in such event.

The Trustee Pledge Agreement I (other than in respect of the Further Advances) will secure all liabilities of the Seller under the Mortgage Receivables Purchase Agreement, including the obligation to pay a penalty if, for whatever reason, the transfer of legal ownership of Mortgage Receivables to the Issuer is not completed. The penalty will be due to the Issuer or, if a Trustee I Notification Event (as defined in the Trustee I Pledge Agreement) has occurred, to the Security Trustee. The penalty is drafted in such manner that any detrimental effects resulting from the failure to transfer legal ownership of the Mortgage Receivables to the Issuer will, to the extent possible, be eliminated. Any amount due to the Security Trustee will be reduced by any amount paid in respect of the penalty to the Issuer and any amount due to the Issuer in respect of the penalty will be reduced by amount paid to the Security Trustee.

In addition, the Trustee Pledge Agreement I (other than in respect of Further Advances) will be created as security for all liabilities (including, without limitation, recourse claims) of the Issuer to the Security Trustee in connection with the Deed of Surety. If the Security Trustee pursuant to its penalty claims on the Seller cannot fully recover all amounts required to meet its obligations under the Deed of Surety, it can create a recourse claim under the Deed of Surety against the Issuer by paying further amounts to the Noteholders. The obligations of the Security Trustee in this respect will, therefore, be conditional upon it having funds available to effectuate such payment. For this purpose, the Security Trustee will have the ability to borrow an amount equal to the amount which it has as at such date collected and which it will be entitled to recover under the Trustee Pledge Agreement I and the Trustee Pledge Agreement II (see below). After having paid the Noteholders using such borrowed funds, the Security Trustee will be entitled to reimbursement in respect of payments made by it under the Deed of Surety. It will therefore be entitled to apply the amounts held by it under the Trustee Pledge Agreement I and the Trustee Pledge Agreement II to pay its recourse claim and use these amounts to repay drawings made under the recourse liquidity facility agreement together with interest thereon and any related costs.

The pledge provided in the Trustee Pledge Agreement I will not be notified to the Borrowers except in case of certain Trustee I Notification Events. These Trustee I Notification Events will be similar to the Notification Events defined in the Mortgage Receivables Purchase Agreement. Prior to notification of the pledge to the Borrowers, the pledge will be a ‘silent’ right of pledge (‘stil pandrecht’) within the meaning of section 3:239 of the Netherlands Civil Code.

In order to secure the obligation of the Seller to transfer legal title to the Mortgage Receivables to the Issuer, the Seller will each grant a second ranking right of pledge (the ‘Company Pledge Agreement’) over the Mortgage Receivables and the Beneficiary Rights to the Issuer on the Closing Date. Since a right of pledge can only be vested as security for a monetary claim, this pledge will secure the payment of the penalty by the Seller, provided in the Mortgage Receivables Purchase Agreement, as described above. This right of pledge will also be a ‘silent’ pledge as described above.

Furthermore, the Seller will undertake to create a right of pledge on any Further Advances to the Security Trustee and to the Company under the Trustee Pledge Agreement I and the Company Pledge Agreement respectively, if and when such Further Advances are granted to the relevant Borrower. These pledges will secure all liabilities of the Seller resulting from a breach of its contractual obligations in respect of the co-held mortgage rights relating to the Further Advances or as a consequence of such contractual obligations being dissolved, void, nullified or ineffective. See ‘Further Advances’ above.

The Issuer will also vest a right of pledge (‘Trustee Pledge Agreement II’) in favour of the Security Trustee on the Closing Date. This right of pledge secures any and all liabilities (including, without limitation, recourse claims) of the Issuer to the Security Trustee resulting from or in connection with the Deed of Surety and will be vested on all rights of the Issuer under or in connection with (i) the Mortgage Receivables Purchase Agreement, (ii) the Servicing Agreement, (iii) the Liquidity Facility Agreement, (iv) the Floating Rate GIC, (v) the Savings Mortgage Sub-Participation Agreement, (vi) the Swap Agreement, and (vii) in respect of the

Transaction Accounts. This right of pledge will be notified to the relevant obligors and will, therefore be a 'disclosed' right of pledge ('openbaar pandrecht').

The Deed of Surety described above shall serve as security for the benefit of the Secured Parties, including each of the Senior Class A Noteholders, the Mezzanine Class B Noteholders and the Junior Class C Noteholders, but amounts owing to the Mezzanine Class B Noteholders will rank in priority of payment after amounts owing to Class A Senior Noteholders and amounts owing to the Junior Class C Noteholders will rank in priority of payment after amounts owing to the Senior Noteholders and the Mezzanine Class B Noteholders (see 'Credit Structure' above).

THE SECURITY TRUSTEE

Stichting Security Trustee Delphinus 2000-I (the 'Security Trustee') is a foundation ('stichting') incorporated under the laws of the Netherlands on 16 June 2000. It has its registered office in Amsterdam, the Netherlands.

The objects of the Security Trustee are (a) to act as agent and/or trustee; (b) to act as surety in favour of the Noteholders, as well as in favour of other creditors of the Issuer; (c) to acquire security rights as agent and/or trustee and/or for itself; (d) to hold, administer and to enforce the security rights mentioned under (c); (e) to borrow money and (f) 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 registered office at Frederik Roeskestraat 123, 1076 EE Amsterdam, the Netherlands.

TERMS AND CONDITIONS OF THE NOTES

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

The issue of the euro 337,500,000 Senior Class A Mortgage-Backed Notes 2000 due 2032 (the 'Senior Class A Notes'), the euro 15,000,000 6.25 per cent. Mezzanine Class B Notes 2000 due 2032 (the 'Mezzanine Class B Notes') and the euro 7,500,000 7.125 per cent. Junior Class C Notes 2000 due 2032 (the 'Junior Class C Notes', and together with the Senior Class A Notes and the Mezzanine Class B Notes, the 'Notes') was authorised by a resolution of the managing director of Delphinus 2000-I B.V. (the 'Issuer') passed on 23 June 2000. The Notes are issued under a paying agency agreement dated, 2000 (the 'Paying Agency Agreement') between the Issuer, the Security Trustee and ABN AMRO Bank N.V., as principal paying agent (the 'Principal Paying Agent') and Société Générale Bank & Trust as paying agent (together the 'Paying Agents') and ABN AMRO Bank N.V. as reference agent (the 'Reference Agent').

The statements in these terms and conditions of the Notes (the 'Conditions') include summaries of, and are subject to, the detailed provisions of (i) the Paying Agency Agreement, which will include the form of the Notes and the interest coupons (in case of K-form certificates) and coupon sheets (in case of CF-form certificates) appertaining to the Notes (the 'Coupons'), the forms of the Temporary Global Notes and the Permanent Global Notes, (ii) a trust deed (the 'Trust Deed') dated 26 June 2000 between Stichting Security Trustee Delphinus 2000-I (the 'Security Trustee') and the Issuer, (iii) a Servicing Agreement (the 'Servicing Agreement') dated 26 June 2000 between – inter alia – the Issuer, ABN AMRO Trust Company (Nederland) B.V. as the 'Company Administrator', ASR Bank as 'Pool Servicer' and the Security Trustee, (iv) a deed of surety (the 'Deed of Surety') dated 26 June 2000 between the Security Trustee and –inter-alia – the Managers as initial holders of the Notes (the 'Noteholders'), (v) a pledge agreement dated 26 June 2000 between the Seller, the Security Trustee and the Issuer, (vi) a pledge agreement dated 26 June 2000 between the Seller and the Issuer and (vii) a pledge agreement dated 26 June 2000 between the Issuer, the Security Trustee and others (jointly with the two other pledge agreements referred to under (v) and (vi) above, the 'Pledge Agreements').

Certain words and expressions used below are defined in a master definitions agreement (the 'Master Definitions Agreement') dated 23 June 2000 and signed by the Issuer, the Security Trustee, the Seller and certain other parties. Such words and expressions shall, except where the context requires otherwise, have the same meanings in these Conditions. As used herein, 'Class' means either the Senior Class A Notes, the Mezzanine Class B Notes or the Junior Class C Notes, as the case may be.

Copies of the Paying Agency Agreement, the Trust Deed, the Deed of Surety, the Pledge Agreements and the Master Definitions Agreement are available for inspection free of charge by holders of the Notes at the specified office of the Paying Agents and the present office of the Security Trustee, being at the date hereof Frederik Roeskestraat 123, 1076 EE Amsterdam, the Netherlands. The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Paying Agency Agreement, the Trust Deed, the Deed of Surety and the Pledge Agreements.

1. Form, Denomination and Title

The Notes will be in bearer form serially numbered with Coupons attached on issue in denominations of euro 500,000 each. 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 Senior Class A Notes, the Mezzanine Class B Notes and the Junior Class C 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], the Trust Deed and the Deed of Surety (i) payments of principal and interest on the Mezzanine Class B Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes and (ii) payments of principal and interest on the Junior Class C Notes are subordinated to, *inter alia*, payments of principal and interest on the Senior Class A Notes and the Mezzanine Class B Notes.
- (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 Deed of Surety and the Pledge Agreements, which will create the following security rights:
- (i) a deed of surety (‘borgtocht’) on a limited recourse basis by the Security Trustee, *inter alia*, to the Noteholders;
 - (ii) a first ranking pledge by the Seller to the Security Trustee over the Mortgage Receivables, the Beneficiary Rights and the Further Advances;
 - (iii) a second ranking pledge by the Seller to the Issuer over the Mortgage Receivables, the Beneficiary Rights and the Further Advances;
 - (iv) a first ranking pledge by the Issuer to the Security Trustee on the Issuer’s rights
 - (a) against the Seller under or in connection with the Mortgage Receivables Purchase Agreement;
 - (b) against the Company Administrator under or in connection with the Servicing Agreement;
 - (c) against the Pool Servicer under or in connection with the Servicing Agreement;
 - (d) against the Swap Counterparty under or in connection with the Swap Agreement,
 - (e) against the Floating Rate GIC Provider under or in connection with the Floating Rate GIC;
 - (f) against the Liquidity Facility Provider or, as the case may be, the Replacement Liquidity Facility Provider under or in connection with the Liquidity Facility;
 - (g) against the Savings Mortgage Participants under the Savings Mortgage Sub-Participation Agreement; and
 - (h) against the Floating Rate GIC Provider in respect of the Transaction Accounts.
- (d) The Senior Class A Notes, the Mezzanine Class B Notes and the Junior Class C Notes will be secured (directly and/or indirectly) by the Security. The Senior Class A Notes will rank in priority to the Mezzanine Class B Notes and the Junior Class C Notes and the Mezzanine Class B Notes will rank in priority to the Junior Class C Notes in the event of the Security being enforced. The Trust Deed contains provisions requiring the Security Trustee to have regard to the interests of the Senior Class A Noteholders, the Mezzanine Class B Noteholders and the Junior Class C Notes, 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 Senior Class A Noteholders, if, in the Security Trustee’s opinion, there is a conflict between the interests of the Senior Noteholders on one hand and the Mezzanine Class B Noteholders and the Junior Class C Noteholders on the other hand and, if no Senior Class A Notes are outstanding, to have regard only to the interests of the Mezzanine Class B Noteholders, if, in the Security Trustee’s opinion, there is a conflict between the interests of the Mezzanine Class B Noteholders on the one hand and the Junior Class C Noteholders on the other hand.

3. Covenants of the Issuer

So long as any of the Notes 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 to the extent permitted by the Mortgage Receivables Purchase Agreement, the Servicing Agreement, the Pledge Agreements, the Deed of Surety, the Swap Agreement, the Floating Rate GIC, the Subordinated Loan Agreement, the Savings Mortgage Sub-Participation Agreement, the Liquidity Facility Agreement, the Note Purchase Agreement, the Notes, the Paying Agency Agreement, the Beneficiary Waiver Agreement and the Trust Deed (together the ‘Relevant Documents’) or with the prior written consent of the Security Trustee:

- (a) carry out any business other than as described in the Offering Circular dated 23 June 2000 relating to the issue of the Notes 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 in 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 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 properties or assets substantially or as an entirety to one person;
- (e) permit the validity or effectiveness of the Deed of Surety, the Pledge Agreements, 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 except as contemplated in the Relevant Documents;
- (f) have any employees or premises or have any subsidiary or subsidiary undertaking; or
- (g) have an interest in any bank account other than the Master Collection Account and the Reserve Account, unless all rights in relation to such account will have been pledged to the Security Trustee as provided in Condition 2(c)(iv).

4. Interest

(a) *Period of Accrual*

The Notes shall bear interest on their Principal Amount Outstanding (as defined in Condition 6) from and including the Closing Date. Each Note (or in the case of the redemption of part only of a Note that part only of such Note) shall cease to bear interest from its due date for redemption unless, upon due presentation payment of the relevant amount of principal or any part thereof is improperly withheld or refused. In such event, interest will continue to accrue thereon (before and after any 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 payments will be made, provided that upon such presentation payment is in fact made. Whenever it is necessary to compute an amount of interest in respect of any Note for any period, such interest shall be calculated (i) in the case of the Senior Class A Notes on the basis of the actual days elapsed in the relevant period divided by 360 days and (ii) in the case of the Mezzanine Class B Notes and the Junior Class C Notes, on the basis of a year of 360 days with 12 30 day months or, following the first Optional Redemption Date, on the basis of the actual days elapsed in the relevant period divided by 360 days.

(b) *Floating Interest Periods and Payment Dates*

Interest on the Senior Class A Notes shall be payable by reference to successive interest periods (each an 'Floating Interest Period') and will be payable in arrears in euro in respect of the Principal Amount Outstanding (as defined in Condition 6) of the Senior Class A Notes on the 26th day of September, December, March and June (or, if such day is not a day on which banks are open for business in Amsterdam and Luxembourg, provided that such day is also a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer System or any successor thereto is operating credit or transfer instructions in respect of payments in euro (a 'Business Day'), the next succeeding Business Day, unless such Business Day falls in the next succeeding calendar month in which event the immediately preceding Business Day) in each year (each such day being a 'Quarterly Payment Date'). Each successive Floating Interest Period will commence on (and include) a Quarterly Payment Date and end on (but exclude) the next succeeding Quarterly Payment Date, except for the first Floating Interest Period, which will commence on (and include) 26 June 2000 and will end on (but exclude) 26 September 2000.

Interest on the Mezzanine Class B Notes and the Junior Class C Notes shall be payable by reference to successive interest periods (each a 'Fixed Interest Period') and will be payable in arrears in euro in respect of the Principal Amount Outstanding (as defined in Condition 6) of the Mezzanine Class B Notes and the Junior Class C Notes on the 26th day of June (or, if such day is not a Business Day, the next succeeding Business Day) in each year (each such day being a 'Annual Payment Date'). Each successive Fixed Interest Period will commence on (and include) the 26th day of June and end on (but exclude) the next succeeding 26th day of June, except for the first Fixed Interest Period, which will commence on (and include) 26 June 2000 and will end on (but exclude) 26 June 2001.

(c) *Interest on the Senior Class A Notes*

Interest on the Senior Class A Notes for each Floating Interest Period from the Closing Date will accrue at an annual rate equal to the sum of the Euro Interbank Offered Rate ('Euribor') for three months deposits (the 'Floating Rate of Interest') plus, up to the first Optional Redemption Date (as defined below) a margin of 0.29 per cent. per annum.

(d) *Interest on the Mezzanine Class B Notes and the Junior Class C Notes*

Up to the first Optional Redemption Date (as defined in Condition 6) of the rate of interest applicable to (i) the Mezzanine Class B Notes shall be 6.25 per cent., per annum and (ii) the Junior Class C Notes shall be 7.125 per cent., per annum, payable, in respect of each Interest Period, in arrear on each Annual Payment Date.

(e) *Interest following Redemption Date*

If following the first Optional Redemption Date (as defined in Condition 6) of the Notes of any Class have not been redeemed in full, the interest applicable to the relevant Class of Notes will be equal to the sum of Euribor for three months deposits, payable by reference to Floating Interest Periods on each Quarterly Payment Date, plus:

- (i) for the Senior Class A Notes, a margin of 1 per cent. per annum;
- (ii) for the Mezzanine Class B Notes, a margin of 1.75 per cent. per annum;
- (iii) for the Junior Class C Notes, a margin of 3 per cent. per annum.

(f) *Euribor*

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

- (i) The 'Reference Agent' will obtain for each Floating Interest Period the rate equal to the sum of the Euro Interbank Offered Rate ('Euribor') for three months deposits in euros. The Reference Agent shall use the Euribor rate as determined and published jointly by the European Banking Federation and ACI – The Financial Market Association and which appears for information purposes on the Telerate Page 248 (or, if not available, any other display page on any screen service maintained by any registered information vendor (including, without limitation, the Reuter Monitor Money Rate Service, the Dow Jones Telerate Service and the Bloomberg Service) for the display of the Euribor rate selected by the Reference Agent) as at or about 11:00 a.m. (Central European time) on the day that is two Business Days preceding the first day of each Floating Interest Period (each an 'Interest Determination Date').
- (ii) If, on the relevant Interest Determination Date, such Euribor rate is not determined and published jointly by the European Banking 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 (the 'Reference Banks') to provide a quotation for the rate at which three months Euro deposits are offered by it in the Euro-zone interbank market at approximately 11.00 a.m. (Central European time) on the relevant Interest Determination Date to prime banks in the Euro-zone interbank market in an amount that is representative for a single transaction at that time; and
 - (B) determine the arithmetic mean (rounded, if necessary, to the fifth decimal place with 0.000005 being rounded upwards) of such quotation as is provided; and

- (iii) 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 Interest Determination Date for one month deposits to leading Euro-zone banks in an amount that is representative for a single transaction in that market at that time,

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

(g) *Determination of the Floating Rate of Interest and Calculation of the Floating Interest Amount*

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

(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 Quarterly Payment Date applicable to each relevant Class of Notes to be notified to the Issuer, the Security Trustee, the Paying Agents, the Company Administrator, the Luxembourg Stock Exchange and to the holders of such Class of Notes in accordance with Condition 13 as soon as possible after the determination. The Floating Interest Amount and Quarterly Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Floating 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 (g) above, the Security Trustee shall determine the relevant Floating Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the procedure described in paragraph (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 (h) above, and each such determination or calculation shall be final and binding on all parties.

(j) *Reference Banks and Reference Agent*

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

5. Payment

- (a) Payment of principal and interest in respect of Definitive Notes will be made upon presentation of the Definitive Note and against surrender of the relevant Coupon appertaining thereto, at any specified office of the Paying Agents in cash or by transfer to an Euro account maintained by the payee with a bank in the Netherlands or in Luxembourg, as the holder may specify. All such payments are subject to any fiscal or other laws and regulations applicable in the place of payment.
- (b) At the Final Maturity Date (as defined in Condition 6), or such earlier date the Notes become due and payable, the Definitive Notes should be presented for payment together with all unmatured Coupons appertaining thereto, failing which the full amount of any such missing unmatured Coupons (or, in the case of payment not being made in full, that proportion of the full amount of such missing unmatured Coupons which the sum of principal so paid bears to the total amount of principal due) will be deducted from the sum due for payment. Each amount so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon at any time before the expiry of five years following the due date for payment of such principal (whether or not such Coupons would have become unenforceable pursuant to Condition 8).
- (c) If the relevant Quarterly Payment Date is not a day on which banks are open for business in the place of presentation of the relevant Note or Coupon, 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 as referred to above, the Paying Agents shall not be obliged to credit such account until the day on which banks in the place of such account are open for business immediately following the day on which banks are open for business in the Netherlands. The names of the Paying Agents and of their offices are set out below.
- (d) The Issuer reserves the right at any time to vary or terminate the appointment of any of the Paying Agents and to appoint additional or other paying agents provided that no paying agent located in the United States of America will be appointed and that the Issuer will at all times maintain a paying agent having a specified office in the European Union which, for as long as the Notes are listed on the Luxembourg Stock Exchange shall be located in Luxembourg. Notice of any termination or appointment of a 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.

6. Redemption and purchase

- (a) *Final redemption*
Unless previously redeemed as provided below, the Issuer will, in respect of the Mezzanine Class B Notes and the Junior Class C Notes subject to Condition 9(b), redeem the Senior Class A Notes, the Mezzanine Class B Notes and the Junior Class C Notes at their Principal Amount Outstanding on 26 June 2032 (the 'Final Maturity Date').
- (b) *Mandatory redemption*
Provided that no Enforcement Notice has been served in accordance with Condition [10], the Issuer shall be obliged to apply the Notes Redemption Available Amount (as defined below) to redeem (or partially redeem) on a pro rata basis (i) with respect to the Senior Class A Notes on each Quarterly Payment Date and (ii) with respect to the Mezzanine Class B Notes and the Junior Class C Notes on each Annual Payment Date or, following the first Optional Redemption Date, on each Quarterly Payment Date in the following order, (x) firstly, the Senior Class A Notes until fully redeemed and, thereafter, (y) the Mezzanine Class B Notes until fully redeemed and, thereafter, (z) the Junior Class C Notes.

The principal amount so redeemable in respect of each Note (each a 'Principal Redemption Amount') on the relevant Quarterly Payment Date or, as the case may be, Annual Redemption Date shall be the aggregate amount (if any) of the Notes Redemption Available Amount on the Calculation Date relating to that Quarterly Payment Date or, as the case may be, Annual Redemption Date divided by the number of Notes of the relevant Class subject to such redemption (rounded down to the nearest euro, 0.5 being rounded upwards), 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 shall be reduced accordingly.

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

The 'Principal Amount Outstanding' on any Calculation Date of any Note shall be the principal amount of that Note upon issue less the aggregate amount of all Principal Redemption Amounts in respect of that Note that have become due and payable prior to such Calculation Date.

'Notes Redemption Available Amount' shall mean, on any Calculation Date, the aggregate amount received by the Issuer during the immediately preceding Calculation Period:

- (a) by means of repayment and prepayment of principal under the Mortgage Receivables, from any person, whether by set-off or otherwise, but, for the avoidance of doubt, excluding prepayment penalties, if any, and, furthermore, excluding amounts paid as partial prepayments on the Savings Mortgage Receivables, less, with respect to each Savings Mortgage Receivable, the Savings Mortgage Participation in such Savings Mortgage Receivable;
- (b) as Net Proceeds (as defined in Condition 6(b) (iii) below) on any Mortgage Receivable, to the extent such proceeds relate to principal less, with respect to each Savings Mortgage Receivable, the Savings Mortgage Participation in such Savings Mortgage Receivable;
- (c) in connection with a repurchase of Mortgage Receivables pursuant to the Mortgage Receivables Purchase Agreement to the extent such amounts relate to principal less, with respect to each Savings Mortgage Receivable, the Savings Mortgage Participation in such Savings Mortgage Receivable;
- (d) in connection with a sale of Mortgage Receivables pursuant to the Trust Deed to the extent such amounts relate to principal less, with respect to each Savings Mortgage Receivable, the Savings Mortgage Participation in such Savings Mortgage Receivable;
- (e) an amount by which the Principal Deficiency Ledger is credited on the immediately succeeding Quarterly Payment Date in accordance with the Servicing Agreement;
- (f) as Savings Mortgage Participation Increase pursuant to the Savings Mortgage Sub-Participation Agreement;
- (g) as partial prepayment in respect of Savings Mortgage Receivables;
- (h) as the excess (if any) of (a) the sum of the aggregate net proceeds of the issue of the Notes and the Initial Participation over (b) the Initial Purchase Price of the Mortgage Receivables.

'Net Proceeds', shall mean (a) the proceeds of a foreclosure on the mortgage right, (b) the proceeds of foreclosure on any other collateral securing the Mortgage Receivable, (c) the proceeds, if any, of collection of any insurance policies in connection with the Mortgage Receivable, including but not limited to life insurance and fire insurance, (d) the proceeds of any guarantees or sureties, and (e) the proceeds of foreclosure on any other assets of the relevant debtor, after deduction of foreclosure costs;

'Calculation Date' means, in relation to a Quarterly Payment Date or, as the case may be, Annual Payment Date, the third business day prior to such Quarterly Payment Date or Annual Payment Date;

‘Calculation Period’ means, in relation to a Calculation Date, the three successive Mortgage Calculation Periods immediately preceding such Calculation Date;

‘Mortgage Calculation Period’ means the period commencing on (and including) the sixth day of each calendar month and ending on (and including) the fifth day of the following calendar month.

- (c) *Determination of Principal Redemption Amount and Principal Amount Outstanding*
- (i) On each Calculation Date, the Issuer shall determine (or cause the Administrator to determine) (a) the Principal Redemption Amount and (b) the Principal Amount Outstanding of the relevant Note on the first day following the Quarterly Payment Date or, as the case may be, the Annual Payment Date. Each determination by or on behalf of the Issuer of any Principal Redemption Amount or the Principal Amount Outstanding of a Note shall in each case (in the absence of manifest error) be final and binding on all persons.
 - (ii) The Issuer will cause each determination of a Principal Redemption Amount and Principal Amount Outstanding of Notes to be notified forthwith to the Security Trustee, the Paying Agents, the Reference Agent, Euroclear, Clearstream, Luxembourg, and to the holders of Notes in accordance with Condition 13. If no Principal Redemption Amount is due to be made on the Notes on any applicable Quarterly Payment Date or, as the case may be, the Annual 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 (b) and paragraph (c) above (but based upon the information in its possession as to the Notes Redemption Available Amount and each such determination or calculation shall be deemed to have been made by the Issuer.
- (d) *Optional redemption*
- Unless previously redeemed in full, the Issuer may, at its option, on giving not more than 60 nor less than 30 days written notice to the Security Trustee and the Noteholders in accordance with Condition 13, on 26 June 2010 and on any Quarterly Payment Date thereafter (each an ‘Optional Redemption Date’) redeem all (but not some only) Notes at their Principal Amount Outstanding on such date. In the event that on such Optional Redemption Date there is a Junior Class C Principal Shortfall or, as the case may be, a Mezzanine Class B Principal Shortfall in respect of the Junior Class C Notes or the Mezzanine Class B Notes respectively, the Issuer may, at its option, subject to Condition 9 (b), partially redeem all (but not some only) Junior Class C Notes or, as the case may be, Mezzanine Class B Notes at their Principal Amount Outstanding less the Junior Class C Principal Shortfall or, as the case may be, Mezzanine Class B Principal Shortfall. Following such redemption the Principal Amount Outstanding of such Junior Class C Notes or, as the case may be, Mezzanine Class B Notes shall be reduced accordingly and be equal to the Junior Class C Principal Shortfall or, as the case may be, the Mezzanine Class B Principal Shortfall. The ‘Junior 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 number of Junior Class C Notes then outstanding on such Optional Redemption Date. The ‘Mezzanine 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 number of Mezzanine Class B Notes then outstanding on such Optional Redemption Date.

7. Taxation

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.

8. Prescription

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

9. Subordination

(a) Interest

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

In the event that on any Calculation Date the Issuer has insufficient funds available to it to satisfy its obligations in respect of amounts of interest due on the Junior Class C Notes on the next Annual Payment Date or, as the case may be, Quarterly Payment Date, the amount available (if any) shall be applied pro rata to the amount of the interest due on such Annual Payment Date to the holders of the Junior Class C Notes. In the event of a shortfall, the Issuer shall credit the Junior Class C Interest Deficiency Ledger (as defined in the Master Definitions Schedule), with an amount equal to the amount by which the aggregate amount of interest paid on the Junior Class C Notes, on any Annual Payment Date or, as the case may be, Quarterly Payment Date, in accordance with this Conditions falls short of the aggregate amount of interest payable on the Junior 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 Junior 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 Junior Class C Note on the next succeeding Annual Payment Date or, as the case may be, Quarterly Payment Date.

(b) Principal

If, on any Annual Payment Date or, as the case may be, Quarterly Payment Date, there is a balance on the Class B Principal Deficiency Ledger, then notwithstanding any other provisions of these Conditions the principal amount payable on redemption of each Mezzanine Class B Note on such Payment Date shall not exceed its Principal Amount Outstanding less the quotient of the balance on the Class B Principal Deficiency Ledger on such Payment Date, divided by the number of Mezzanine Class B Notes then outstanding. The Mezzanine Class B Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Mezzanine Class B Notes after the earlier of (i) the Final Maturity Date or (ii) the date on which the Issuer no longer holds any Mortgage Receivables and there are no balances standing to the credit of the Transaction Accounts.

If, on any Annual Payment Date, there is a balance on the Class C Principal Deficiency Ledger, then notwithstanding any other provisions of these Conditions the principal amount payable on redemption of each Junior Class C Note on such Payment Date shall not exceed its Principal Amount Outstanding less the quotient of the balance on the Class C Principal Deficiency Ledger on such Payment Date, divided by the number of Junior Class C Notes then outstanding. The Class C Subordinated Noteholders shall have no further claim against the Issuer for the Principal Amount Outstanding on the Junior Class C Notes after the earlier of (i) the Final Maturity Date or (ii) the date on

which the Issuer no longer holds any Mortgage Receivables and there are no balances standing to the credit of the Transaction Accounts.

(c) *General*

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

10. Events of Default

The Security Trustee at its discretion may, and if so directed by an Extraordinary Resolution of the Senior Noteholders or if no Senior Class A Notes are outstanding, by an Extraordinary Resolution of the holders of the Mezzanine Class B Notes, or if no Senior Class A Notes and Mezzanine Class B Notes are outstanding, by an Extraordinary Resolution of the Junior Class C Notes (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 days or more in the payment on the due date of any amount due in respect of the Notes of the Relevant Class; or
- (b) the Issuer fails to perform any of its other obligations binding on it under the Notes of the Relevant Class, the Trust Deed, the Paying Agency Agreement or the Pledge Agreements and, except where such failure, in the reasonable opinion of the Security Trustee, is incapable of remedy, such default continues for a period of thirty 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] 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 ('surséance van betaling') or for bankruptcy ('faillissement') or is declared bankrupt.

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

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 Deed of Surety, including the making of a demand for payment thereunder, the Trust Deed, the Pledge Agreements and the Notes and Coupons, but it need not take any such proceedings unless (i) it shall have been directed by an Extraordinary Resolution of the Senior Noteholders or, if all amounts due in respect of the Senior Class A Notes have been fully paid, the Mezzanine Class B Noteholders or, if all amounts due in respect of the Senior Class A Notes and the Mezzanine Class B Notes have been fully paid, the Junior Class C Noteholders 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 until the expiry of a period of at least one year after the latest maturing Note is paid in full. The Noteholders accept and agree that, apart from any recourse claims in connection with the Deed of Surety, the only remedy of the Security Trustee against the Issuer after any of the Notes have become due and payable pursuant to Condition 10 above is to enforce the Security.

12. Indemnification of the Security Trustee

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

13. Notices

All notices to the Noteholders will only be valid if published in at least one daily newspaper of wide circulation in the Netherlands, in the Luxemburger Wort (Luxembourg) or, if such publication is not possible, in another newspaper of wide circulation in Luxembourg. Any such notice shall be deemed to have been given on the first date of such publication.

14. Meetings of Noteholders; Modification; Consents; Waiver

- (a) The Trust Deed contains provisions for convening meetings of the Senior Class A Noteholders, the Mezzanine Class B Noteholders and the Junior Class C Noteholders to consider matters affecting the interests, including the sanctioning by Extraordinary Resolution, of such Noteholders of the relevant Class of a change of any of these Conditions or any provisions of the Relevant Documents, provided that no change of certain terms by the Noteholders of any Class including the date of maturity of the Notes of the relevant Class, or a change which would have the effect of postponing any day for payment of interest in respect of such Notes, reducing or cancelling the amount of principal payable in respect of such Notes or altering the majority required to pass an Extraordinary Resolution or any alteration of the date or priority of redemption of such Notes (any such change in respect of any such class of Notes referred to below as a 'Basic Terms Change') shall be effective except that, if the Security Trustee is of the opinion that such a Basic Terms Change is being proposed by the Issuer as a result of, or in order to avoid, an Event of Default, such Basic Terms Change may be sanctioned by an Extraordinary Resolution of the Noteholders of the relevant Class of Notes as described below.

A meeting as referred to above may be convened by the Issuer or by Noteholders of any Class holding not less than 10 per cent. in Principal Amount Outstanding of the Notes of such Class. The quorum for any meeting convened to consider an Extraordinary Resolution for any Class of Notes will be two-thirds of the Principal Amount Outstanding of the Notes of the relevant Class, as the case may be, and at such a meeting an Extraordinary Resolution is adopted with not less than a two-third majority of the validly cast votes, except that the quorum required for an Extraordinary Resolution including the sanctioning of a Basic Terms Change shall be at least 75 per cent. of the amount of the Principal Amount Outstanding of the Notes of the relevant Class and the majority required shall be at least 75 per cent. of the validly cast votes at that Extraordinary Resolution. If at such meeting the aforesaid quorum is not represented, a second

meeting of Noteholders will be held within one month, with due observance of the same formalities for convening the meeting which governed the convening of the first meeting; at such second meeting an Extraordinary Resolution is adopted with not less than a two-thirds majority of the validly cast votes, except that (for an Extraordinary Resolution including a sanctioning of a Basic Terms Change the majority required shall be 75 per cent. of the validly cast votes, regardless of the Principal Amount Outstanding of the Notes of the relevant Class then represented, except if the Extraordinary Resolution relates to the removal and replacement of any or all of the managing directors of the Security Trustee, in which case at least 30 per cent. of the Notes of the relevant Class should be represented.

No Extraordinary Resolution to sanction a change which would have the effect of accelerating or increasing the maturity of the Senior Class A Notes, or as the case may be, the Mezzanine Class B Notes, or as the case may be, the Junior Class C Notes or any date for payment of interest thereon, increasing the amount of principal or the rate of interest payable in respect of the Senior Class A Notes or, as the case may be, the Mezzanine Class B Notes, or as the case may be, the Junior Class C Notes shall take effect unless it shall have been sanctioned with respect to the Senior Class A Notes by an Extraordinary Resolution of the Mezzanine Class B Noteholders and/or the Junior Class C Noteholders.

An Extraordinary Resolution of the Mezzanine Class B Noteholders and/or the Junior Class C Noteholders shall only be effective when the Security Trustee is of the opinion that it will not be materially prejudicial to the interests of the Senior Class A Noteholders and/or, as the case may be, the Mezzanine Class B Noteholders or it is sanctioned by an Extraordinary Resolution of the Senior Class A Noteholders or, as the case may be, the Mezzanine Class B Noteholders. The Trust Deed imposes no such limitations on the powers of the Senior Class A Noteholders, the exercise of which will be binding on the Mezzanine Class B Noteholders and on the Junior Class C Noteholders, irrespective of the effect on their interests.

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

- (b) The Security Trustee may agree, without the consent of the Noteholders, to (i) any modification of any of the provisions of the Relevant Documents which is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except if prohibited in the Relevant Documents), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Relevant Documents which is in the opinion of the Security Trustee not materially prejudicial to the interests of the Noteholders, provided that (i) the Security Trustee has notified Moody's, Fitch and DCR and (ii) Moody's, Fitch and DCR have confirmed that the then current rating of the Notes will not be adversely affected by any such modification, authorisation or waiver. Any such modification, authorisation or waiver shall be binding on the Noteholders and, if the Security Trustee so requires, such modification shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.
- (c) In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Security Trustee shall have regard to the interests of the Senior Class A Noteholders and the Mezzanine Class B Noteholders and the Junior Class C Noteholders each as a Class and shall not have regard to the consequences of such exercise for individual Noteholders and the Security Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

15. Replacements of Notes and Coupons

Should any Note or Coupon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the office of the Principal Paying Agent and the Paying Agent in Luxembourg 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. Further Issues

The Issuer may on any Optional Redemption Date without the consent of the holders of Notes issue further Senior Class A Notes (the 'Further Senior Class A Notes') or further Mezzanine Class B Notes (the 'Further Mezzanine Class B Notes') or further Junior Class C Notes (the 'Further Junior Class C Notes', and together with the Further Senior Class A Notes and the Further Mezzanine Class B Notes, the 'Further Notes'). The proceeds of such issue of Further Senior Class A Notes shall exclusively be used by the Issuer to exercise its call option to redeem the relevant Class of Senior Class A Notes in accordance with Condition 6([e]) and the proceeds of issue of Further Mezzanine Class B Notes shall exclusively be used by the Issuer to exercise its call option to redeem the Mezzanine Class B Notes in accordance with Condition 6([e]) and the proceeds of issue of Further Junior Class C Notes shall exclusively be used by the Issuer to exercise its call option to redeem the Junior Class C Notes in accordance with Condition 6(e). Further Senior Class A Notes shall rank *pari passu* with the Senior Class A Notes and Further Mezzanine Class B Notes shall rank *pari passu* with the Mezzanine Class B Notes and Further Junior Class C Notes shall rank *pari passu* with the Junior Class C Notes. Application will be made to the Luxembourg Stock Exchange or any appropriate stock exchange for such Further Notes to be admitted to the listing. The issue of Further Notes will be subject to the condition that (i) the then current ratings by Moody's and Fitch of the Notes, and of any previously issued Further Notes at the time of issue of such Further Notes, are not adversely affected by such issue, (ii) the principal amount of such Further Senior Class A Notes does not exceed the principal amount necessary to redeem the relevant Class of Senior Class A Notes and the principal amount of such Further Mezzanine Class B Notes does not exceed the principal amount necessary to redeem the Mezzanine Class B Notes and the principal amount of such Further Junior Class C Notes does not exceed the principal amount necessary to redeem the Junior Class C Notes, and (iii) such additional and/or other arrangements are entered into by the Issuer which, in the opinion of the Security Trustee, will ensure that the interests of the holders of Senior Class A Notes, Mezzanine Class B Notes and Junior Class C Notes are not prejudiced by such issue of Further Notes. Further Notes shall have such terms and conditions as the Issuer and the Security Trustee shall agree and shall share the same security as the Notes, in that the Security Trustee will issue a deed of surety in substantially the same form as the Deed of Surety in favour of the holders of the Further Notes.

17. 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.

THE GLOBAL NOTES

Each Class of the Notes shall be initially represented by (i) in the case of the Senior Class A Notes a Temporary Global Note in bearer form, without coupons, in the principal amount of euro 337,500,000, (ii) in the case of the Mezzanine Class B Notes a Temporary Global Note in bearer form, without coupons, in the principal amount of euro 15,000,000 and (iii) in the case of the Junior Class C Notes or a Temporary Global Note in bearer form, without coupons, in the principal amount of euro 7,500,000. Each Temporary Global Note will be deposited with Société Générale Bank & Trust, as common depository for Morgan Guaranty Trust Company of New York, Brussels office, as operator of Euroclear and Clearstream, Luxembourg on or about 26 June 2000. Upon deposit of each such Temporary Global Note, Euroclear and Clearstream, Luxembourg will credit each purchaser of Notes represented by such Temporary Global Note with the principal amount of the relevant Class of Notes equal to the principal amount thereof for which it has purchased and paid. Interests in each Temporary Global Note will be exchangeable (provided certification of non-U.S. beneficial ownership by the Noteholders has been received) not earlier than 40 days after the issue date of the Notes (the 'Exchange Date') for interests in a permanent global note (each a 'Permanent Global Note'), in bearer form, without coupons, in the principal amount of the Notes of the relevant Class (the expression 'Global Notes' meaning the Temporary Global Notes of each Class and the Permanent Global Notes of each Class and the expression 'Global Note' means any of them, as the context may require). On the exchange of a Temporary Global Note for a Permanent Global Note of the relevant Class, the Permanent Global Note will remain deposited with the common depository.

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

For 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, as appropriate.

For so long as all of the Notes are represented by the Global Notes and such Global Notes are held on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relative accountholders rather than by publication as required by Condition 13 (provided that, so long as the Notes are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, notices shall also be published in a leading daily newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*)). 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 and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

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

If after the Exchange Date (i) the Notes become immediately due and payable by reason of accelerated maturity following an Event of Default, or (ii) either Euroclear or Clearstream,

Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business and no alternative clearance system satisfactory to the Security Trustee is available, or (iii) as a result of any amendment to, or change in the laws or regulations of the Netherlands (or of any political sub-division thereof) or of any authority therein or thereof having power to tax, or in the interpretation or administration of such laws or regulations, which becomes effective on or after 26 June 2000, the Issuer or Paying Agent is or will be required to make any deduction or withholding on account of tax from any payment in respect of the Notes which would not be required were the Notes in definitive form, then the Issuer will at its sole cost and expense, issue

- (i) Senior Class A Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Senior Class A Notes; and
- (ii) Mezzanine Class B Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Note in respect of the Mezzanine Class B Notes; and
- (iii) Junior Class C Notes in definitive form in exchange for the whole outstanding interest in the Permanent Global Notes in respect of the Junior Class C Notes;

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

TAXATION IN THE NETHERLANDS

Below mentioned information is not intended as a tax advice, neither does it purport to describe all of the tax considerations which may be relevant to a prospective purchaser of the Notes. Prospective purchasers are advised to acquaint themselves with the overall tax consequences of purchasing, holding and/or selling the Notes or Coupons of the Notes.

The Issuer has been informed that under the current tax law and jurisprudence of the Netherlands:

- (A) All payments by the Issuer in respect of the Notes or Coupons can be made without withholding or deduction for, or on account of, any taxes, duties or charges of whatsoever nature imposed, withheld or assessed by the Dutch tax authorities or any political subdivision thereof or therein. If, in the future, the withholding or deduction of such taxes, duties or charges will be required by law, the Issuer will withhold or deduct such taxes, duties or charges for the account of the Noteholders and shall not pay any additional amounts to the Noteholders in respect of the aforementioned withholding or deduction.
- (B) A holder of a Note or Coupon who derives income from a Note or Coupon or who realises a gain on the disposal or redemption of a Note or Coupon will not be subject to Dutch taxation on income or capital gains, unless:
 - the holder is, or is deemed to be, resident in the Netherlands; or
 - such income or gain is attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in the Netherlands.
- (C) A holder of a Note or Coupon will not be subject to taxation under the Income Tax Act 2001 (that will enter into force on 1 January 2001), unless:
 - the holder is an individual and is, or is deemed to be, resident in the Netherlands; or
 - such a Note or Coupon is attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in the Netherlands.

For a brief outline of the Income Tax Act 2001 reference is made to the Special Considerations under the heading ‘Proposed reform of Income Tax Act of the Netherlands.
- (D) There will be no Dutch gift, estate or inheritance taxes levied on the transfer of a Note or Coupon by way of gift by a holder, or on the death of a holder, unless:
 - the holder is, or is deemed to be, resident in the Netherlands;
 - the transfer is construed as an inheritance or as a gift made by or on behalf of a person who, at the time of the gift or death, is, or is deemed to be, resident in the Netherlands; or
 - such a Note or Coupon is attributable to an enterprise or part thereof which is carried on through a permanent establishment or a permanent representative in the Netherlands.
- (E) There will be no registration tax, capital tax, customs duty, stamp duty, transfer tax or any other similar tax or duty due in the Netherlands in respect of or in connection with the issue, transfer execution, delivery and enforcement by legal proceedings of the Notes or the performance of the Issuer’s obligations under the Relevant Documents.
- (F) There will be no value added tax due in the Netherlands in respect of payments in consideration of the issue of the Notes, neither in respect of payments of interest and principal or the transfer of a Note or Coupon.
- (G) A holder of a Note or Coupon will not become, or deemed to be, resident in the Netherlands by sole reason of holding such a Note or Coupon or the execution, performance, delivery and/or enforcement of the Relevant Documents.

PURCHASE AND SALE

ABN AMRO Bank N.V., Bank Brussel Lambert N.V., BNP Paribas, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. and Artesia Bank N.V. (together, the 'Class A Managers') have, pursuant to a note purchase agreement dated 23 June 2000, among the Managers, the Issuer and the Seller (the 'Class A Note Purchase Agreement'), jointly and severally agreed with the Issuer, subject to certain conditions, to purchase the Senior Class A Notes at their issue price. ABN AMRO Bank N.V. (the 'Class B and C Manager') has, pursuant to a note purchase agreement dated 23 June 2000, among the Class B and C Manager, the Issuer and the Seller, agreed with the Issuer, subject to certain conditions, to purchase the Mezzanine Class B Notes and the Junior Class C Notes at their respective issue prices. The Class A Managers and the Class B and C Manager are together referred to as the Managers. The Issuer has agreed to indemnify and reimburse the Managers against certain liabilities and expenses in connection with the issue of the relevant Class of Notes.

Each of the Managers has agreed that (i) it has not offered or sold and, prior to the expiration of the period of six months from the Closing Date, will not offer or sell any Notes to persons in the United Kingdom, except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995, (ii) it has complied and will comply with all applicable provisions of the Financial Services Act 1986 with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom and (iii) it has only issued or passed on and will only issue or pass on in the United Kingdom any document received by it in connection with the issue of the Notes to a person who is of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996 (as amended) or is a person to whom such document may otherwise lawfully be issued or passed on.

The Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the 'Securities Act') and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

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

GENERAL INFORMATION

1. The issue of the Notes has been authorised by a resolution of the managing director of the Issuer passed on 23 June 2000.
2. The Senior Class A Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and will bear common code 11327664 and ISIN XS 0113276645.
3. The Mezzanine Class B Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and will bear common code 11327818 and ISIN XS 0113278187.
4. The Junior Class C Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg and will bear common code 11327826 and ISIN XS 0113278260.
5. There has been no material adverse change in the financial position or prospects of the Issuer since 16 June 2000.
6. In connection with the application to list the Senior Class A Notes, the Mezzanine Class B Notes and the Junior Class C Notes on the Luxembourg Stock Exchange a legal notice relating to the issue (Notice Légale) as well as the Articles of Association of the Issuer will be lodged with the Chief Registrar of the District Court of Luxembourg (Greffier en Chef du Tribunal d'Arrondissement de et à Luxembourg) where such documents may be examined and copies obtained.
7. Ernst & Young Accountants have given and have not withdrawn its written consent to the issue of this offering circular with their report included herein in the form and context in which it appears.
8. Since its incorporation, the Issuer is not involved in any legal or arbitration proceedings which may have a significant effect on the Issuer's financial position nor, so far as the Issuer is aware, are any such proceedings pending or threatened against the Issuer.
9. Copies of the following documents may be inspected at the specified offices of the Security Trustee and the Paying Agents during normal business hours:
 - (i) the Deed of Incorporation of the Issuer;
 - (ii) the Mortgage Receivables Purchase Agreement;
 - (iii) the Note Purchase Agreement;
 - (iv) the Paying Agency Agreement;
 - (v) the Trust Deed;
 - (vi) the Deed of Surety;
 - (vii) the Trustee Pledge Agreement I;
 - (viii) the Trustee Pledge Agreement II;
 - (ix) the Company Pledge Agreement;
 - (x) the Servicing Agreement;
 - (xi) the Savings Mortgage Sub-Participation Agreement;
 - (xii) the Floating Rate GIC;
 - (xiii) the Swap Agreement;
 - (xiv) the Subordinated Loan Agreement;
 - (xv) the Liquidity Facility Agreement;
 - (xvi) the Beneficiary Waiver Agreement;
 - (xvii) the Master Definitions Agreement.
10. The audited financial statements of the Issuer prepared annually and a quarterly report prepared by the Company Administrator on the performance of the transaction (including the Mortgage Receivables) will be made available, free of charge, at the specified offices of the Paying Agents.

ANNEX

Payment date	CPR = 10%						CPR = 0%					
	Balances			Redemptions			Balances			Redemptions		
	Class A	Class B	Class C	Class A	Class B	Class C	Class A	Class B	Class C	Class A	Class B	Class C
Initial Balance	337,500,000	15,000,000	7,500,000	0	0	0	337,500,000	15,000,000	7,500,000	0	0	0
26-09-2000	327,886,598	15,000,000	7,500,000	9,613,402	0	0	337,238,450	15,000,000	7,500,000	261,550	0	0
26-12-2000	318,526,178	15,000,000	7,500,000	9,360,419	0	0	336,973,155	15,000,000	7,500,000	265,295	0	0
26-03-2001	309,412,128	15,000,000	7,500,000	9,114,051	0	0	336,704,062	15,000,000	7,500,000	269,093	0	0
26-06-2001	300,538,004	15,000,000	7,500,000	8,874,123	0	0	336,431,116	15,000,000	7,500,000	272,946	0	0
26-09-2001	291,897,535	15,000,000	7,500,000	8,640,470	0	0	336,154,261	15,000,000	7,500,000	276,855	0	0
26-12-2001	283,484,608	15,000,000	7,500,000	8,412,926	0	0	335,873,441	15,000,000	7,500,000	280,820	0	0
26-03-2002	275,293,274	15,000,000	7,500,000	8,191,334	0	0	335,588,599	15,000,000	7,500,000	284,842	0	0
26-06-2002	267,317,737	15,000,000	7,500,000	7,975,537	0	0	335,299,676	15,000,000	7,500,000	288,923	0	0
26-09-2002	259,552,353	15,000,000	7,500,000	7,765,385	0	0	335,006,614	15,000,000	7,500,000	293,062	0	0
26-12-2002	251,991,623	15,000,000	7,500,000	7,560,730	0	0	334,709,352	15,000,000	7,500,000	297,261	0	0
26-03-2003	244,630,193	15,000,000	7,500,000	7,361,429	0	0	334,407,832	15,000,000	7,500,000	301,521	0	0
26-06-2003	237,462,850	15,000,000	7,500,000	7,167,343	0	0	334,101,990	15,000,000	7,500,000	305,842	0	0
26-09-2003	230,484,515	15,000,000	7,500,000	6,978,335	0	0	333,791,764	15,000,000	7,500,000	310,226	0	0
26-12-2003	223,690,241	15,000,000	7,500,000	6,794,274	0	0	333,477,092	15,000,000	7,500,000	314,672	0	0
26-03-2004	217,075,212	15,000,000	7,500,000	6,615,030	0	0	333,157,908	15,000,000	7,500,000	319,183	0	0
26-06-2004	210,634,735	15,000,000	7,500,000	6,440,477	0	0	332,834,149	15,000,000	7,500,000	323,760	0	0
26-09-2004	204,364,242	15,000,000	7,500,000	6,270,493	0	0	332,505,746	15,000,000	7,500,000	328,402	0	0
26-12-2004	198,259,283	15,000,000	7,500,000	6,104,959	0	0	332,172,635	15,000,000	7,500,000	333,111	0	0
26-03-2005	192,315,523	15,000,000	7,500,000	5,943,760	0	0	331,834,746	15,000,000	7,500,000	337,889	0	0
26-06-2005	186,528,742	15,000,000	7,500,000	5,786,781	0	0	331,492,011	15,000,000	7,500,000	342,735	0	0
26-09-2005	180,894,830	15,000,000	7,500,000	5,633,913	0	0	331,144,359	15,000,000	7,500,000	347,652	0	0
26-12-2005	175,409,782	15,000,000	7,500,000	5,485,048	0	0	330,791,719	15,000,000	7,500,000	352,640	0	0
26-03-2006	170,069,699	15,000,000	7,500,000	5,340,083	0	0	330,434,020	15,000,000	7,500,000	357,699	0	0
26-06-2006	164,870,785	15,000,000	7,500,000	5,198,915	0	0	330,071,188	15,000,000	7,500,000	362,832	0	0
26-09-2006	159,809,340	15,000,000	7,500,000	5,061,445	0	0	329,703,149	15,000,000	7,500,000	368,039	0	0
26-12-2006	154,881,763	15,000,000	7,500,000	4,927,577	0	0	329,329,827	15,000,000	7,500,000	373,322	0	0
26-03-2007	150,084,546	15,000,000	7,500,000	4,797,217	0	0	328,951,147	15,000,000	7,500,000	378,680	0	0
26-06-2007	145,414,272	15,000,000	7,500,000	4,670,273	0	0	328,567,030	15,000,000	7,500,000	384,117	0	0
26-09-2007	140,867,615	15,000,000	7,500,000	4,546,657	0	0	328,177,399	15,000,000	7,500,000	389,632	0	0
26-12-2007	136,441,335	15,000,000	7,500,000	4,426,281	0	0	327,782,172	15,000,000	7,500,000	395,226	0	0
26-03-2008	132,103,990	15,000,000	7,500,000	4,337,345	0	0	327,317,272	15,000,000	7,500,000	400,900	0	0
26-06-2008	127,762,882	15,000,000	7,500,000	4,341,107	0	0	326,869,287	15,000,000	7,500,000	406,655	0	0
26-09-2008	123,520,186	15,000,000	7,500,000	4,242,696	0	0	326,434,895	15,000,000	7,500,000	412,489	0	0
26-12-2008	119,439,986	15,000,000	7,500,000	4,080,200	0	0	326,010,915	15,000,000	7,500,000	418,399	0	0
26-03-2009	115,581,253	15,000,000	7,500,000	3,858,733	0	0	325,604,477	15,000,000	7,500,000	424,378	0	0
26-06-2009	111,667,477	15,000,000	7,500,000	3,913,776	0	0	325,213,709	15,000,000	7,500,000	430,427	0	0
26-09-2009	107,937,497	15,000,000	7,500,000	3,729,979	0	0	324,837,055	15,000,000	7,500,000	436,546	0	0
26-12-2009	104,275,357	15,000,000	7,500,000	3,662,141	0	0	324,474,027	15,000,000	7,500,000	442,725	0	0
26-03-2010	100,686,868	15,000,000	7,500,000	3,588,489	0	0	324,124,101	15,000,000	7,500,000	448,964	0	0
26-06-2010	0	0	0	100,686,868	15,000,000	7,500,000	0	0	0	321,612,101	15,000,000	7,500,000

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REGISTERED OFFICES**THE ISSUER**

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The Netherlands

POOL SERVICER

ASR Bank N.V.
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Stichting Security Trustee Delphinus 2000-I
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